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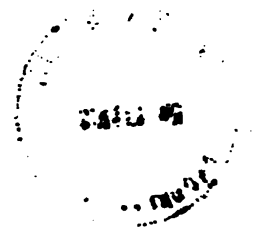












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# SINGLE-ENTRY BOOKKEEPING

(PART 1)

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## PRINCIPLES OF BOOKKEEPING

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### PRELIMINARY REMARKS

**1. Introduction.**—It is the intention to give the student, in this and the two following Sections, such a full and complete understanding of the theory and elements of single-entry bookkeeping as will enable him to keep, by this method, books for any kind of business to which the method is adapted. If the examples illustrated and explained are exactly and conscientiously followed, a valuable knowledge of business and bookkeeping will surely be acquired.

**2. Bookkeeping and Its Uses.**—Books of account are kept, in some manner, by all persons doing business. This is done that they may know their resources and liabilities and also the extent of their business and its receipts and expenditures.

**3. Bookkeeping** is the systematic recording of the facts that will show the standing of a business. A *bookkeeper*, or *accountant*, is a person that understands how to make such records and how to prepare the bills, checks, drafts, etc. necessary in mercantile transactions, and is acquainted with the manner in which such instruments are used.

**4. Methods of Keeping Books.**—There are two distinct methods of keeping accounts, called *single-entry bookkeeping* and *double-entry bookkeeping*.

All that is aimed at in strictly **single-entry bookkeeping** is to enable one party to keep an account of his

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dealings with others, in order that he may know how much they owe him and how much he owes them, none but personal accounts being kept. An entry is made only when a personal account is affected, and the person is simply debited or credited, hence the term *single entry*. It is customary, however, to keep an account with Cash also, in order that the proprietor may know the amount of money that has been received and expended.

In some sets of books, double entry is combined with single entry to the extent that accounts are kept with Merchandise, Expenses, Freight, and Wages, for the purpose of showing how much merchandise was bought and sold and how much was paid out for expense. When such accounts are kept, they are simply balanced and ruled off at the time of closing the books for any business period.

In **double-entry bookkeeping** an account is kept with every class of property dealt in and with Expense, etc., as well as with every person dealt with. A debit and credit entry is made for every transaction, thus making an entry to two or more accounts, according to the number affected by the transaction; that is to say, every time an account is debited, some other account must be credited for the same amount, hence the term *double entry*.

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### RULE FOR DEBIT AND CREDIT

5. The two main principles of bookkeeping are **debit** and **credit**. If the following directions for debit and credit are strictly followed, a mistake will never be made.

**When to debit—**

*Cash:* When you receive it.

*The person:* When you trust any one.

*The person:* When you pay any one.

**When to credit—**

*Cash:* When you pay it out.

*The person:* When he trusts you.

*The person:* When he pays you.

## MERCANTILE TERMS, ABBREVIATIONS, SIGNS, AND CHARACTERS

### MERCANTILE TERMS

**6.** The following list of mercantile terms is very complete, and a clear and comprehensive knowledge of them and their application will be found necessary to every student of commercial subjects.

**Accept.**—So to acknowledge, by signature, as to bind for payment.

**Acceptance.**—A draft or bill of exchange that has been accepted; usually done by the acceptor (drawee) writing his name across the face of the draft in red ink, together with the word "Accepted" and the date.

**Account.**—A formal statement of debits and credits.

**Account Books.**—Books made and used for keeping accounts.

**Account Current.**—An open or running account; an account for the present month, quarter, or other period of time.

**Account Sales.**—A detailed statement of the sales of goods by a commission merchant, showing also the expenses, after charges, and the net proceeds.

**Accrued.**—Accumulated, as interest due and unpaid.

**Acknowledgment.**—A formal admission made before a notary or other authorized person that the act described was voluntarily performed.

**Ad Valorem.**—According to value; a custom-house term relating to duties on imported goods.

**Advice.**—A notice of a bill drawn; information with reference to a shipment; any mercantile information.

**Affidavit.**—A written declaration made under oath.

**Agent.**—One who acts for another; a deputy.

**Agreement.**—Mutual assent; a contract.

**Allowance.**—A deduction from the gross weight of goods; an abatement.

**Annuity.**—A sum to be paid to another in fee, or for life, or for years.

**Antedate.**—To date anything prior to the actual time of writing.

**Appraise.**—To estimate the value of goods or property, as for the purpose of taxation, etc.

**Appurtenances.**—Those things that appertain or belong to something else, as the buildings and fences to the farm on which they stand.

**Articles.**—Divisions of a written or printed agreement, as articles of copartnership; things or commodities, as articles of merchandise.

**Assets.**—The funds, property, and total resources of a person in business.

**Assign.**—To transfer or make over to another, usually for the benefit of creditors.

**Assignee.**—The person to whom the affairs of an insolvent debtor are referred for adjustment, usually a trustee of the creditors.

**Assignment.**—The formal transfer of property to an assignee.

**Assignor.**—The one who assigns his property for the benefit of his creditors.

**Assume.**—To take upon oneself the risk or liabilities of another.

**Attachment.**—A legally executed claim on property; a warrant for the seizure of goods to satisfy debt.

**Auxiliary.**—(Helping.) Applied to such account books as are kept merely as aids to the principal books.

**Average.**—A proportional share of a general loss, usually applied to the loss of goods at sea; also, a mean time of payment for several debts due at different times.

**Balance.**—To close an account; difference between debits and credits.

**Balance of Trade.**—Difference between the exports and imports of a country.

**Balance Sheet.**—A statement in condensed form, showing the condition and progress of business.

**Bank.**—An institution, generally incorporated, authorized to receive deposits of money, to lend money, and to issue

promissory notes—usually called bank notes—or to perform some one or more of these functions.

**Bank Balance.**—Net amount on deposit at bank.

**Bank Bills or Notes.**—Promissory notes printed by the government and issued by national banks, payable on demand, and used as money.

**Bank Book.**—The pass book of the depositor, in which the receiving teller writes the separate deposits. The book-keeper enters the paid checks at stated intervals.

**Bank of Deposit.**—A bank for the custody and employment of money entrusted to its care by its customers.

**Bank of Discount.**—A bank for the loaning of money on commercial paper and collateral securities.

**Bank of Issue.**—A bank that, besides employing or lending the money entrusted to it, is authorized to issue notes of its own.

**Bankrupt.**—One who fails in business and is unable to pay his debts.

**Bank Stock.**—Shares in a banking establishment.

**Bill.**—A detailed statement of goods bought or sold; a negotiable instrument.

**Bill Book.**—A book containing the particulars of notes issued and notes received.

**Bill of Exchange.**—An order for the payment of money, usually drawn on a person or a bank in another country, the term draft being used to designate bills that are payable in the same country in which they are drawn.

**Bill of Lading.**—A written acknowledgment by the representative of a common carrier that he has received the goods therein described, to be carried to a certain destination, on the terms stated, and delivered to the person specified or to the order of the shipper; it is both a receipt and a contract; it may be negotiated for value, and then it becomes the absolute title to the goods.

**Bill of Sale.**—A writing given by the seller to the buyer, transferring the ownership of personal property.

**Bill Head.**—A printed form on which to render bills.

**Bills Payable.**—Notes and acceptances payable by us.

**Bills Receivable.**—Notes and acceptances of others payable to us.

**Blanks.**—Books and papers ruled to forms suitable for business purposes.

**Blotter.**—(The Day Book.) Book of original entry containing a history of transactions in the order of their occurrence.

**Book Account.**—An entry or charge in the books in contradistinction from a note or written promise.

**Breakage.**—An allowance on goods imported in bottles; compensation for things broken.

**Broker.**—An agent or middleman between the buyer and the seller.

**Brokerage.**—The percentage or commission charged by a broker for his services.

**Cancel.**—To annul; to destroy; to render void.

**Capital.**—Investment in business.

**Capital Stock.**—The joint or aggregate paid-in capital of the stockholders in corporate institutions.

**Cartage.**—The charges for conveying goods by carts or wagons.

**Cash.**—Coin, bank notes, checks, etc., that pass as money.

**Certificate.**—A written or printed testimony; as, a certificate of deposit, a certificate of stock.

**Certified Check.**—A check that has been acknowledged good by the bank on which it is drawn.

**Charges.**—The expenses incurred in handling goods, more especially those bought and sold on commission.

**Chattels.**—Movable things; personal property.

**Check.**—An order on a bank drawn by a depositor.

**Closing an Account.**—Making an entry to balance it.

**Closing Lines.**—The ruling lines drawn after an account is balanced and footed.

**Collaterals.**—Pledges of stock, notes, or chattels for security of loans and other indebtedness.

**Commission.**—A percentage allowed for buying or selling goods or for transacting other business.

**Commercial Paper.**—Notes, drafts, and other written orders for the payment of money used in trade.

**Consideration.**—The material cause that moves a party to enter into a contract; not the motive or moral cause, but the price or stipulated amount that may be expressed in money value.

**Consignee.**—The agent or person to whom goods are sent to be sold on commission. The goods are said to be *consigned*, and are called by the one who receives them a *consignment*.

**Consignor.**—The party who thus consigns his goods to an agent. The consignor calls such goods a *shipment* to distinguish them from other goods that he himself may have received to be sold on commission, and which he, in turn, calls a consignment.

**Contract.**—An agreement for a lawful consideration to do or not to do something possible and lawful to be done.

**Conveyance.**—A legal document transferring the ownership of land or other property from one person to another.

**Cooperage.**—Expenses paid for repairing casks, boxes, etc.

**Date.**—A statement of the day of the month and year when a letter was written or a transaction effected.

**Days of Grace.**—The days allowed for the payment of a note or bill after the time specified has expired.

**Deed.**—A sealed instrument used in the conveyance of real estate; any legal instrument under seal.

**Demand.**—Asking by authority; a claim by right.

**Deposit.**—Money left in a bank subject to order.

**Discount.**—A deduction; the sum allowed for payment of a bill before due; the sum paid as interest in advance for money at a bank.

**Dishonor.**—Failure to pay when due; refusal to accept a draft.

**Dividend.**—Gain to be divided among the stockholders in a joint-stock company.

**Double Entry.**—A system of bookkeeping by which the debits and credits in any transaction are equal in amount.

**Draft.**—A written order or request for the payment of money at a certain time.

**Drawee.**—One on whom the draft is drawn; the payer.

**Drawer.**—The person who draws the draft, and thus asks the drawee to pay to the payee named.

**Drayage.**—Charges for hauling goods on drays or wagons.

**Due Bill.**—A brief written acknowledgment of debt, having the effect of a promissory note without time to run.

**Duplicate.**—A copy; a transcript of any document.

**Extend.**—In accounts, to add the items and carry the totals out into their proper columns.

**Face.**—The amount for which a bill is drawn.

**Facsimile.**—An exact copy.

**Favor.**—A polite term for a letter received. A bill or note is said to be drawn in favor of the one to whom it is made payable.

**Fixtures.**—That part of the furniture of a store or office which is not movable; as, the gas pipes, partitions, etc.

**Freight.**—Goods in transit; the price paid for transportation.

**Gain.**—Increase in wealth; profit.

**Good-Will.**—The reputation and patronage that pertains to an established business; also, the personal interest and influence of a withdrawing partner apart from that shown by his account.

**Gross Weight.**—Weight of goods including box and packing.

**Indorse.**—To guarantee; to write one's name on the back of a check or note.

**Indorsee.**—The person in whose favor a check is indorsed.

**Indorser.**—The person who indorses.

**Instant.**—Present; current; the present month.

**Insurance Policy.**—The instrument containing the contract between the insurance company and the party insured.

**Interest.**—The use of money; premium paid for the use of money; right or share in a business.

**Inventory.**—An itemized schedule or list of goods and other property, with their value as then estimated.

**Investment.**—The laying out of money in the purchase of property or goods.



**Invoice.**—A list of goods bought or sold, received from abroad, or about to be shipped.

**Invoice Book.**—A book in which invoices are copied or placed.

**Jobber.**—One who buys goods from manufacturers and importers, and sells them to retailers.

**Job Lot.**—An irregular assortment; miscellaneous goods unsold at the end of a season.

**Joint Stock.**—Property held in common by a company of men, each of whom is called a stockholder.

**Journal.**—A book in which the debits and credits of a transaction are arranged preparatory to posting.

**Judgment.**—The decree of a court enforcing a contract or redressing a wrong.

**Judgment Note.**—A promissory note in the usual form, coupled with a warrant of attorney authorizing the entry of judgment without process of law, in case of non-payment.

**Leakage.**—An allowance made for loss or waste on liquids transported in casks.

**Lease.**—A contract granting possession and use of property for a specified time.

**Ledger.**—A book of accounts, in which the results of business are arranged under suitable headings.

**Legal Tender.**—(Lawful offer.) The name given to such currency as the law declares shall be received in payment of all ordinary debts.

**Lessee.**—One to whom a lease is made.

**Letter of Advice.**—A letter containing a notice of a shipment, or of a bill drawn, or of some act in which the party receiving the advice has an interest.

**Letter of Attorney.**—Written authority to act for another.

**Letter of Credit.**—An open letter authorizing the bearer to receive money on the credit of the writer. (Generally issued by banking houses to travelers in foreign countries.)

**Liabilities.**—Debts owed by an individual or firm.

**Loss and Gain.**—The title of an account showing the profit and loss in business.

**Maker.**—The signer of a note.

**Mercantile Agency.**—A company whose business is to obtain and circulate among its patrons information as to the business standing of merchants and traders.

**Merchandise.**—Any of the movable articles used in trade; that which is bought to sell again, as distinguished from that which is bought to use.

**Money Order.**—An order on a third party requesting him to pay to the person named a certain sum.

**Mortgage.**—The pledge of land, goods, or chattels to secure the payment of a debt.

**Mortgagee.**—The person in whose favor the mortgage is given.

**Mortgagor.**—The person who gives a mortgage.

**National Bank.**—A banking institution established in the United States under an Act of Congress. National banks can issue their individual notes (engraved and furnished by the government) but only on the basis of United States bonds deposited with the treasurer of the United States as security for said notes in circulation, should any such bank fail in business.

**Negotiable.**—That which is transferable by delivery, assignment, or indorsement.

**Net.**—Clear of all charges and deductions.

**Net Loss.**—Excess of losses over gains.

**Net Proceeds.**—The remainder after deducting charges for sales.

**Net Weight.**—Weight after deducting all allowances.

**Nominal.**—Existing in name only.

**Obligation.**—Indebtedness; a bond with a consideration annexed, and a penalty for non-fulfilment.

**Open Account.**—An unsettled account with a firm or individual.

**Open Policy.**—An insurance policy intended to cover all goods shipped by a certain person (or received) within a certain specified time. Each separate risk is to be indorsed on the policy as it arises.

**Order.**—A request to pay or deliver certain money or goods.

**Order Book.**—The book in which requests for goods are entered.

**Overdraw.**—To draw for a sum greater than one's credit balance.

**Par.**—Equal in value; that is, the market value is equal to the face or nominal value without premium or discount.

**Partnership.**—Company; firm; union of two or more in business.

**Par Value.**—The nominal value; usually the printed or written value of any commercial paper.

**Pass Book.**—A book in which a trader enters articles sold on credit. It is carried by the purchaser and presented by him for record when the purchases are made.

**Payee.**—Person to whom money is paid.

**Payer.**—Person who pays.

**Per.**—A Latin preposition meaning through or by. Used in self-explaining compounds; as, per bushel, per day, per gross, etc.

**Per Annum.**—By the year.

**Per Cent.**—(Per centum.) By the hundred.

**Percentage.**—A part or portion expressed in hundredths.

**Per Diem.**—By the day.

**Personal Accounts.**—Accounts with persons—even artificial persons, as banks, corporations, etc.—as distinguished from accounts with property, etc.

**Personal Property.**—All property except real estate.

**Petty Cash Book.**—A memorandum book of small receipts and expenses.

**Postdate.**—(After date.) To date after the real time of writing.

**Posting.**—Transferring the entries from the Journal and other books to their proper accounts in the Ledger.

**Power of Attorney.**—A written instrument giving an agent authority to act for his principal in matters requiring such written delegation of power; such an agent is called an *Attorney-in-Fact*.

**Preferred Stock.**—Stock that is entitled to a stipulated

dividend before any dividend can be declared on the ordinary or common stock.

**Premium.**—Excess above par; sum paid for insurance.

**Proceeds.**—The amount or value of anything converted into money.

**Promissory Note.**—A written promise to pay a certain sum of money at a specified time.

**Protecting a Draft.**—Accepting or paying a draft to prevent its being dishonored or protested.

**Protest.**—(1) A formal declaration made by a notary public that a note was not paid at maturity, or that a bill of exchange was not accepted when presented, or was not paid when due; (2) an official statement by the master of a vessel that the damage to ship or cargo was caused by stress of weather and not by negligence.

**Proximo.**—Next month.

**Quotation.**—The published price of stocks, merchandise, freight rates, rates of exchange, etc.

**Real Estate.**—Land and such buildings and appurtenances as pass with the land in conveyance of sale.

**Receiver.**—A person appointed to take charge of the affairs of a corporation on its dissolution, and to distribute its property according to law.

**Remittance.**—Funds sent from one place to another.

**Renewal.**—(Of a note.) As giving a new note in exchange for a like note when due.

**Rent.**—Amount paid for use of another's premises.

**Resources.**—Money, property, or that which can be converted into property; as, claims against other people, either on written or verbal promises.

**Savings Bank.**—Bank of deposit where interest is allowed on amounts deposited.

**Schedule.**—A list or inventory of goods or prices.

**Shipment.**—The putting of goods on board a vessel; the title of an account with goods sent away to be sold on commission.

**Sight Draft.**—A draft payable at sight; that is, on presentation to the drawee.

**Spot Cash.**—Immediate payment.

**Statement.**—A list of resources and liabilities; a report of an agent's transactions sent to his principal; a list showing the dates and amounts of the debits and credits of a Ledger account for a month, quarter, or other period of time.

**Stockholder.**—One who owns shares in a joint-stock company or corporation.

**Stocks.**—Shares in joint-stock companies and corporations.

**Storage.**—Charges for the use of a warehouse.

**Suspense Account.**—An account employed to contain balances of personal accounts that may be considered doubtful.

**Tare.**—A deduction for the weight of boxes, crates, or barrels.

**Terms.**—The conditions of a sale as to time and kind of payment.

**Terms Cash.**—Generally understood to mean that goods are to be paid for as soon as they have been received and inspected.

**Time Draft.**—A draft maturing at a future specified time.

**Trade Discount.**—A discount or series of discounts from list prices, made to dealers or because of a change in prices.

**Ultimo.**—Last month.

**Value Received.**—A phrase of formality used in notes to indicate that a consideration has been given.

**Voucher.**—Such papers or documents as prove the truth of accounts; thus, a receipt is a voucher for the payment of money.

**Way Bill.**—A document containing a list of goods sent by railroad.

**Wholesale.**—(To sell whole.) To sell goods in large quantities, usually in unbroken packages.

## COMMERCIAL ABBREVIATIONS

7. The following commercial abbreviations should be carefully studied. Their use is common and must be understood.

A 1 . . . . .	First Class	ck. . . . .	Check
A. or ans. . . . .	Answer	cks. . . . .	Casks; Checks
acct. . . . .	Account	Co. . . . .	Company; County
acct. cur. . . . .	Account Current	C. O. D. . . . .	Cash (or Collect) on Delivery
acct. sales . . . . .	Account Sales	Coll. . . . .	Collector
A. D. . . . .	In the Year of Our Lord	Colo. . . . .	Colorado
ad. . . . .	Advertisement	Com. . . . .	Commission; Commerce; Committee
Agt. . . . .	Agent	Com'l. . . . .	Commercial
Ala. . . . .	Alabama	Conn. . . . .	Connecticut
Alas. . . . .	Alaska Territory	Cons'd. . . . .	Consigned
Alb. . . . .	Alberta Territory	Cons't. . . . .	Consignment
A. M. . . . .	Before Noon; Master of Arts; In the Year of the World	Cr. . . . .	Credit; Creditor
Am. or Amer. . . . .	American; America	C. S. B. . . . .	Commission Sales Book
amt. . . . .	Amount	ctg. . . . .	Cartage
Apr. . . . .	April	cwt. . . . .	Hundredweight
art. . . . .	Article	D. B. . . . .	Day Book
Ariz. . . . .	Arizona Territory	D. C. . . . .	District of Columbia
Ark. . . . .	Arkansas	Dec. . . . .	December
ass'd or as'd . . . . .	Assorted	Dep. . . . .	Deposit; Deputy
Assin. . . . .	Assiniboia Territory	Del. . . . .	Delaware
ass'md . . . . .	Assumed	Dep't. . . . .	Department; Deponent
Ass't . . . . .	Assistant	Deg. . . . .	Degree
Atty . . . . .	Attorney	dft. . . . .	Draft; Defendant
Aug. . . . .	August	Disc't. . . . .	Discount
bal. . . . .	Balance	div. . . . .	Dividend
bb. . . . .	Barrel	do. or ditto . . . . .	The Same
B. B. . . . .	Bill Book; Bank Book	Dr. . . . .	Doctor; Debtor
B. C. . . . .	British Columbia	ds. . . . .	Days
bdis. . . . .	Bundles	Ea. or ea. . . . .	Each
b. of e. . . . .	Bill of Exchange	Ed. . . . .	Editor; Edition
bgs. . . . .	Bags	E. E. . . . .	Errors Excepted
bk. . . . .	Bank or Book	E. & O. E. . . . .	Errors and Omissions Excepted
bkts. . . . .	Baskets	e. g. . . . .	For Example
b. of l. . . . .	Bill of Lading	Ent. . . . .	Entry
bla. . . . .	Bales	Ent'd. . . . .	Entered
bot. . . . .	Bought	et al. . . . .	And Others
B. Pay. . . . .	Bills Payable	etc. or &c. . . . .	And Others; And So Forth
bro't. . . . .	Brought	Exch. . . . .	Exchange
B. Rec. . . . .	Bills Receivable	ex. . . . .	Express
B. Ren'd. . . . .	Bill Rendered	exp. . . . .	Export; Exporter; Expense
bu. or bush. . . . .	Bushel	Feb. . . . .	February
bxs. . . . .	Boxes	fig'd. . . . .	Figured
Cal. . . . .	California; Calendar	Fla. . . . .	Florida
C. B. . . . .	Cash Book	f. o. b. . . . .	Free on Board
c. or cts. . . . .	Cents	fo'd. or f'd. . . . .	Forward
chgs. . . . .	Charges	Fri. . . . .	Friday
chts. . . . .	Chests	Frt. . . . .	Freight
c. i. f. . . . .	Cost, Insurance, and Freight		

## COMMERCIAL ABBREVIATIONS—(Continued)

ft. . . . .	Fort	Mem. B. . . . .	Memorandum Book
ft. . . . .	Foot; Feet	Mex. . . . .	Mexico
Ga. . . . .	Georgia	mfd. . . . .	Manufactured
gal. . . . .	Gallon	mfg. . . . .	Manufacturing
G. O. . . . .	General Order	Mfst. . . . .	Manifest
gr. or gro. . . . .	Gross	mfr. . . . .	Manufacturer
Hawaii . . . . .	Hawaii Territory	Mich. . . . .	Michigan
hdkf. . . . .	Handkerchief	Minn. . . . .	Minnesota
hhd. . . . .	Hogshead	Miss. . . . .	Mississippi
Ia. . . . .	Iowa	Mme. . . . .	Madam
I. B. . . . .	Invoice Book	Mmes. . . . .	Mezdames
Id. . . . .	The Same	Mo. . . . .	Missouri
Ill. . . . .	Illinois	Mo. or mo. . . . .	Month
in. . . . .	Inch; Inches	Mols. . . . .	Molasses
incor. . . . .	Incorporated	Mon. . . . .	Monday
Ind. . . . .	Indiana; India; Indian; Index;	Mont. . . . .	Montana
Indorse		Mr. . . . .	Master; Mister
Ind. T. . . . .	Indian Territory	Mrs. . . . .	Mistress; Missis
Ins. . . . .	Insurance	Mtg. . . . .	Mortgage
Inst. . . . .	Instant (this month)	MS. . . . .	Manuscript
int. . . . .	Interest	Mut. . . . .	Mutual
inv. . . . .	Invoice	N. A. . . . .	New Account; North America
inv't. . . . .	Inventory	Nat. or Nat'l. . . . .	National
I. O. U. . . . .	I owe you (an acknowledg-	N. B. . . . .	Take Notice; New Brunswick
	ment of indebtedness)	N. C. . . . .	North Carolina; Net Capital
J. . . . .	Judge; Justice	N. Dak. . . . .	North Dakota
J. or jour. . . . .	Journal	N. E. . . . .	New England
Jan. . . . .	January	Nebr. . . . .	Nebraska
J. D. B. . . . .	Journal Day Book	Nev. . . . .	Nevada
J. F. . . . .	Journal Folio	N. F. . . . .	Newfoundland
J. P. . . . .	Justice of the Peace; Journal	N. H. . . . .	New Hampshire
Page		N. J. . . . .	New Jersey
Jun. . . . .	June	N. L. . . . .	Net Loss
Jul. . . . .	July	N. Mex. . . . .	New Mexico Territory
Kans. . . . .	Kansas	No. . . . .	Number
Ky. . . . .	Kentucky	Nov. . . . .	November
L. . . . .	Ledger; Latin; Fifty	N. P. . . . .	Notary Public; Net Proceeds
lb. . . . .	Pound	N. S. . . . .	Nova Scotia
La. . . . .	Louisiana	N. Y. . . . .	New York
lab. . . . .	Labor	N. W. T. . . . .	Northwest Territories
L. B. . . . .	Letter Book	O. . . . .	Old; Ohio
L. F. . . . .	Ledger Folio	O. A. . . . .	Old Account
L. P. . . . .	Ledger Page	O. B. . . . .	Order Book
L. T. . . . .	Ledger Title	Oct. . . . .	October
Man. . . . .	Manitoba	O. K. . . . .	All Correct (Oll Korrekt)
man'f. . . . .	Manufacture; Manufactory	Okla. . . . .	Oklahoma Territory
Mar. . . . .	Maritime	O. I. B. . . . .	Outward Invoice Book
Mch. . . . .	March	Ont. . . . .	Ontario
Mass. . . . .	Massachusetts	Ore. . . . .	Oregon
M. C. . . . .	Member of Congress	p. . . . .	Page
Md. . . . .	Maryland	pp. . . . .	Pages
mdse. . . . .	Merchandise	Pa. . . . .	Pennsylvania
Me. . . . .	Maine	pay't or pm't. . . . .	Payment
Mem. . . . .	Memorandum	P. B. . . . .	Pass Book
Messrs. or MM. . . . .	Gentlemen; Sirs	P. C. B. . . . .	Petty Cash Book

## COMMERCIAL ABBREVIATIONS—(Continued)

pce. or pc. . . . .	Piece	St. dft. . . . .	Sight Draft
pd. . . . .	Paid	Stor. . . . .	Storage
per an. . . . .	By the Year	Sun. or Sund. . . . .	Sunday; Sundries
P. E. I. . . . .	Prince Edward Island	Supt. . . . .	Superintendent
P. I. . . . .	Philippine Islands	sq. . . . .	Square
pk. . . . .	Peck	T. B. . . . .	Time Book; Trial Balance
pkg. . . . .	Package	Tenn. . . . .	Tennessee
P. M. . . . .	Postmaster; Afternoon	Ter. . . . .	Territory
P. N. . . . .	Postal Note	Thurs. . . . .	Thursday
P. O. D. . . . .	Pay on Delivery	Tex. . . . .	Texas
P. O. O. . . . .	Post-Office Order	Treas. . . . .	Treasurer
pop. . . . .	Population	trans. . . . .	Transaction; Translation
P. R. . . . .	Porto Rico	Tu. or Tues. . . . .	Tuesday
Prem. . . . .	Premium	ult. or ulto. . . . .	Last Month
Pro. . . . .	Proceeds	U. S. . . . .	United States
prop'r. . . . .	Proprietor	U. S. A. . . . .	United States of America;
prox. . . . .	Next Month	United States Army	
P. S. . . . .	Postscript	U. S. M. . . . .	United States Mail
pub. . . . .	Publisher	U. S. N. . . . .	United States Navy
Qr. or qr. . . . .	Quarter; Quire	Va. . . . .	Virginia
Qt. or qt. . . . .	Quart; Quantity	via . . . . .	By way of
Que. . . . .	Quebec	Vice-Pres. . . . .	Vice-President
Rec. . . . .	Recorder; Recipe	Viz. or viz. . . . .	Namely; To Wit
rec'd. . . . .	Received	vol. . . . .	Volume
ret'd. . . . .	Returned	vs. . . . .	Against
R. I. . . . .	Rhode Island	Vt. . . . .	Vermont
Reg. . . . .	Register	Wash. . . . .	Washington
R. R. . . . .	Railroad	W. B. . . . .	Way Bill
Ry. . . . .	Railway	Wed. . . . .	Wednesday
Sask. . . . .	Saskatchewan Territory	Wk. . . . .	Week
Sat. . . . .	Saturday	Wis. . . . .	Wisconsin
S. B. . . . .	Sales Book	Wt. or wt. . . . .	Weight
S. C. . . . .	South Carolina; Small Capitals	W. Va. . . . .	West Virginia
S. Dak. . . . .	South Dakota	Wy. . . . .	Wyoming
S. E. . . . .	Single Entry; Southeast	X . . . . .	Extra; Ten
sec. . . . .	Section; Secretary	XL . . . . .	Excel; Forty
Sep. or Sept. . . . .	September	XX, XXX . . . . .	Double Extra, etc.
Shipt. . . . .	Shipment	Xmas. . . . .	Christmas
Shs. . . . .	Shares	y. or yr. . . . .	Year
Sig. . . . .	Signature	Yd. or yds. . . . .	Yards
S. S. . . . .	Steamship		

## SIGNS AND CHARACTERS

8. The following signs and characters are in daily use and should be thoroughly learned:

@ . . . . .	To or At	o/o . . . . .	Care of
% . . . . .	Account Current	D/D . . . . .	Days After Date
B/L . . . . .	Bill of Lading	D/S . . . . .	Days After Sight
B/R . . . . .	Bill Rendered	F/B . . . . .	Free on Board
B/S . . . . .	Bill of Sale	J/A . . . . .	Joint Account
¢ . . . . .	Cents	L/o . . . . .	Letter of Credit



## SIGNS AND CHARACTERS—(Continued)

$\mathcal{L}/\text{m}$ . . . Letters of Marque	$^{\circ}$ . . . Degrees
$\text{£}$ . . . Pounds Sterling	$'$ . . . Primes; Minutes; Feet
$\%$ . . . On Account of Custom	$"$ . . . Seconds; Inches; also used for Ditto Marks
$\%$ . . . Out of Courtesy	$1^1$ . . . One and one-fourth
$\%$ . . . Per Cent.	$1^2$ . . . One and one-half
$\text{p}$ . . . Per	$1^3$ . . . One and three-fourths
$\text{\$}$ . . . Dollars	$+$ . . . (Plus.) Addition
$\#$ . . . Means Number if written before a figure, as #40; but Pounds if written after, as 40#	$-$ . . . (Minus.) Subtraction
$\checkmark$ . . . Check-Mark; Radical Sign	$\times$ . . . (By or times.) Multiplica- tion
" . . . (Ditto.) Meaning the same as above	$\div$ . . . (Divided by.) Division
	$=$ . . . (Equality). Equals

## BUSINESS FORMS

**9. A deposit slip, or deposit ticket,** is a printed form furnished by the banks, so that each depositor may fill out and present, with his Pass Book, a statement of the different items for deposit, such as gold, silver, checks, notes, drafts, etc. If the banker finds the items correct in all respects, he will place their sum to the depositor's credit in his Pass Book and on the books of the bank. Whenever a deposit of currency (gold, silver, or paper money) is to be made, the deposit slip is filled out as shown in Fig. 1.

If checks only are to be deposited, the deposit slip is filled out as shown in Fig. 2. If both currency and checks are to be deposited, the slip is filled out with each in its proper place and the amounts added.

**10. Signature Card.**—When an account is first opened at a bank, the depositor will be asked to sign a **Signature Book**, or **Card**, as shown in Fig. 3. This book or card is used by the bank to keep a record of the address and signature of each of its depositors. In signing, the depositor writes his full name, his address, and his signature as he habitually writes it. The style of signature should never be changed, and all business papers should be signed exactly as the signature is written in the signature book or on the card.

DEPOSITED BY		IN THE	DOLLARS	CENTS
<i>Warren E. Smith</i>		International Correspondence Schools Bank. Scranton, Pa., <i>January 23, 190</i>		
NOTES				
do. 1's and 2's				
GOLD				
SILVER				
CHECKS: (In Payment, name the bank)				
<i>First Natl.</i>			115	—
<i>Sims Savings</i>			12.3	—

FIG. 2

DEPOSITED BY		IN THE	DOLLARS	CENTS
<i>Warren E. Smith</i>		International Correspondence Schools Bank. Scranton, Pa., <i>January 4, 190</i>		
NOTES.				
Do. 1's and 2's			1.50	—
GOLD.			.50	—
SILVER.			20	—
CHECKS: (In Payment, name the bank)			14	17
			234	17

FIG. 1



**11. Pass Book.**—On opening an account with a bank, the depositor is given a **Pass Book**, the two-page form of which is shown in Fig. 4. All entries are made by the bank clerks. The purpose of the book is to give the depositor an exact duplicate of his account as shown by the books of the bank. It should always be taken to the bank when a deposit is made, when papers are left for collection, and when papers are discounted and the proceeds are to be placed to the credit of the depositor. The Pass Book should be balanced at least once a month, being left at the bank for that purpose.

**12. Checks.**—After a deposit has been made and the amount entered to the credit of the customer in his Pass Book, the bank will then give him a **Check-Book**. This is a book of blank checks and is usually furnished free of charge by the banks. A sheet of checks, with the stubs attached, is shown in Fig. 5. These blanks are so worded that, when they are properly filled out, they become orders on the bank named, payable, on demand and without interest, to the person named, or to his order, or to the bearer.


When it is desired to draw money from the bank, one of these checks is filled out with the date, the name of the person to whom the money is to be paid, and the amount. The check should be signed exactly like the Signature Card. A full description of the check is then made on the *check-stub*, and the check torn off for use.

**13. Back of Check-Stubs.**—Fig. 6 shows the back of the check-stubs. On this side of the stubs is kept a record of all deposits, and from their sum is deducted the amounts of the checks drawn, as shown by the footing of each page of check-stubs. The balance shows the amount remaining in the bank.


**14. Indorsements.**—Checks, notes, and drafts are generally made payable to the order of the party receiving them and must be indorsed before they can be deposited or transferred.

No. 1	Jan. 1, 1900		
	C. L. Isaacs		
	rent of paint shop		
	for January,		
	\$15.00		15 -
No. 2	Jan. 25, 1900		
	J. L. Hunt,		
	on account,		
	\$52.25		52 25
No. 3	Jan. 31, 1900		
	Myself		
	wages for Jan.		
	\$27.50		
	Chas. Brown, \$3.75		
	\$127.50		127 50
			224 75


  



Scranton, Pa. Jan. 1, 1900. No. 1.  
**International Correspondence Schools Bank**  
 OF SCRANTON.  
 Pay to the order of C. L. Isaacs, \$15.00  
 Fifteen -- Dollars  
 Warren E. Smith



Scranton, Pa. Jan. 25, 1900. No. 2.  
**International Correspondence Schools Bank**  
 OF SCRANTON.  
 Pay to the order of J. L. Hunt, \$52.25  
 Fifty-two and 25/100 -- Dollars  
 Warren E. Smith



Scranton, Pa. Jan. 31, 1900. No. 3.  
**International Correspondence Schools Bank**  
 OF SCRANTON.  
 Pay to the order of Myself, \$27.50  
 One hundred and twenty-seven and 50/100 -- Dollars  
 Warren E. Smith

FIG. 5

190			
Jan	1	Deposited,	234.17
	3	"	2.60
	23	"	12.35
			<u>359.77</u>
		Am't of checks,	224.75
		Balance in hand,	135.02

The forms of indorsement in most common use are shown in Fig. 7.

The name only, as shown on the back of the first check, is a blank indorsement. Paper so indorsed by the party in whose favor it is drawn becomes payable to the bearer.



FIG. 7

Paper indorsed "Pay to" will be paid only to the party named and cannot be transferred by him, but must be deposited to his account or collected in person.

The indorsement "Pay to the order of" allows a further transfer of the paper by the indorsement of the party named, and thus forms an indirect receipt showing that such a person received the paper.

"For deposit only" is the proper form of indorsement when papers are sent for deposit by mail or messenger, for they cannot then be put to any other use. Frequently, the name of the bank in which they are to be deposited is given, as "For deposit only in the International Correspondence Schools Bank, of Scranton, Pa." Indorsements of this kind are generally made with a rubber stamp, the signature being included in the stamped indorsement.

The indorsement "Pay to the order of" a party "without recourse" releases the indorser from liability in case the paper is not paid. It is seldom used, however, because, except in a very few cases, the holder of a paper must indorse it and assume the liability for his indorsement, or he cannot find any one to whom he can turn over the paper, except for collection.

15. A receipt is a written acknowledgment of having received a specified value, with the date, source of value,

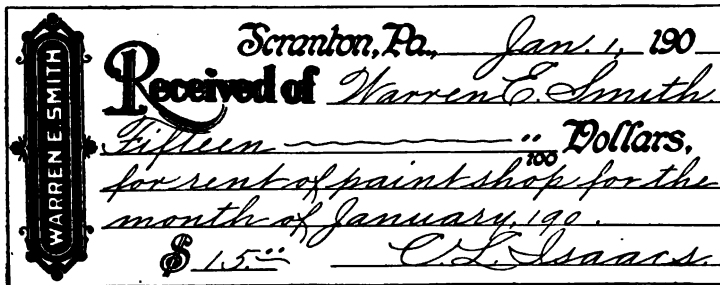


FIG. 8

signature of the party that received the value, and such other particulars as may be necessary to make it plain and unquestionable. A common form is shown in Fig. 8. A receipt or voucher of some description should be taken whenever a payment is made. All receipts or vouchers



should be carefully preserved, as they save disputes, money, trouble, and frequently a lawsuit. A receipt should be so made out that its meaning shall be clearly understood.

### JOURNAL-LEDGER

**16. The Journal-Ledger** is a combination of a Journal and a Ledger, in the Journal form of ruling. All debits and credits to an account are entered, in an itemized form, directly in this book.

To open an account, the name of the person is written at the top of the page and the abbreviations Dr. and Cr. over their proper columns; the left-hand column is always debtor and the right-hand column is always creditor. All transactions with the persons are entered in the manner shown in Fig. 9.

In actual work, the Dr. and Cr. are frequently omitted. They are used here to thoroughly familiarize the student

		Dr.	Cr.
190			
Jan 2	Paper for two rooms	11.25	
12	Polished and varnished office chairs	3.75	
23	By cash		15.00
31	Balance forward to Page 12		15.00
		15.00	15.00

FIG. 9

with the use of the different columns. The vertical black line in the center of the explanation column appears in all Journal ruling. It is not made use of in this case, but will be in the next Section.

In the account shown, the party with whom we are dealing is B. S. Johns. His name, address, and the debit and credit abbreviations appear in their proper places. The two left-hand columns are for the dates, the year being placed above the month, which is in the first and wider column; the day of the month is in the second and narrower column. Both

debit and credit transactions are itemized in the explanation column, which is the wide space between the date columns and the money columns, the credit items being preceded by the word "By." The debit amounts are entered in the first money column and the credit amounts in the second money column.

The difference between the footings of these columns is the balance of the account. If the debit side is the larger, there is a debit balance, and the party owes you that amount; if the credit side is the larger, there is a credit balance, and you owe the party that amount. When an account is settled, we say that it balances. It is then ruled up as shown in Fig. 9. If an account does not balance by being settled before it reaches the bottom of the page, it is balanced in red ink, as shown, so that the amount due may be carried to another page and the account continued as before. The reason for making this balancing entry in red ink is that the entry is not an actual transaction, but is made for convenience and does not affect the account, for the amount due after the entry is made is the same as it was before the account was balanced. In the balancing entry is given the number of the page on which the new account is opened, and in the opening entry of the new account is given the number of the page containing the old account.

**17. The Cash Account** is a record of all cash received and paid out. Any transaction in which cash appears must be entered in the Cash Account. If the transaction affects a personal account, then an entry must be made in the personal account as well as in the Cash Account. In the form of Cash Account shown in Fig. 10, the dates of the transactions are entered on the left-hand side of the page, and a brief explanation of each transaction is written in the explanation column. The first, or left-hand, money column is for the debits, or cash received; the right-hand column is for the credits, or cash paid out. Entering an amount in the debit column debits cash, and entering an amount in the credit column credits cash. The difference between the amounts entered in the columns is called the *balance*.

We can never pay out more cash than is received; therefore, if there is a difference between the columns, the debit column must always be the larger. The balance should agree with the amount of cash on hand.

The entries are made in the order of their occurrence, no matter whether debit or credit. When a page has been filled, the account should be footed, the footings carried forward to another page, and the work continued as before. Frequent tests should be made to see whether or not the cash on hand agrees with the balance shown by the cash account. At the end of the month the account should be balanced and ruled, as shown in Fig. 10.

*Cash Account*

	Dr.	Cr.
Jan 1 Cash on hand	254.17	
" Paid Jan sent to C. L. Isaacs		15.00
3 Cash sales		2.60
10 Recd from E. B. Williams in full	115.00	
23 " " Paid Johns on acct.		5.00
20 Paid to S. P. Allen on account		82.25
" wages for January		127.50
31 Balance forward to Page 16		135.62
	259.77	259.77

FIG. 10

Modern bookkeepers do not use ditto marks under dates, it being understood that the entries are of the same date until changed.

In amounts where there are no cents, it is good practice to place a dash in the cents column, as shown in the illustration. A dash is more quickly made than two ciphers and is more easily passed over in adding. If the cents column is left blank, there is nothing to show that it is intentional and not an error.

**18. Ruling Up Accounts.**—In order that the pages shall present a neat appearance when accounts are balanced

and ruled up, special care should be taken to have all lines begin and end at the desired points, as shown in Fig. 11.

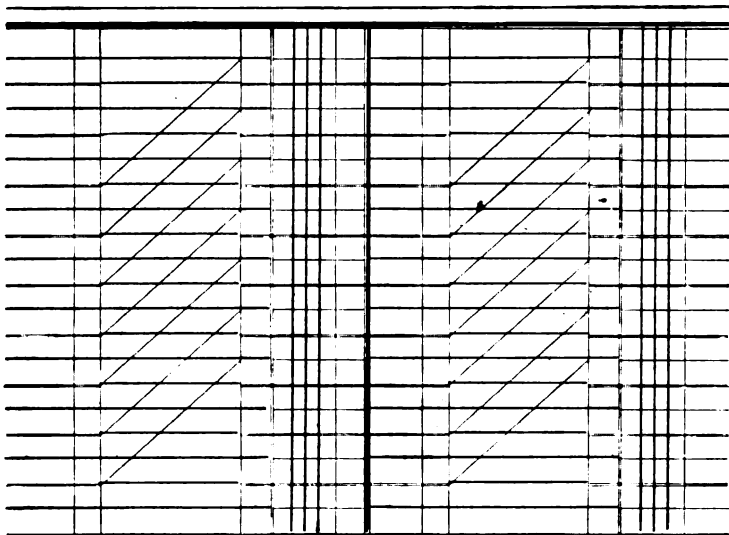


FIG. 11

To get lines of a uniform width, the pen must not be overloaded or used until the ink gives out in the middle of a line, making it necessary to retrace. If, however, this must

*Statement of Personal Accounts, Jan. 31, 1900*

1	B. F. Johns,	7—	
2	L. M. Morrison,	2425	
3	C. J. Walters,		2250
4	L. J. Woods,	10075	
5	J. P. Keen,		1824
	<i>Balance due me,</i>		<i>4096</i>
		132—	132—

FIG. 12

be done, care should be exercised not to increase the width of the line by ruling a little to one side of it.

**19. Statement of Personal Accounts.**—It is customary with business men, at the end of each month, to go

through the Journal-Ledger and draw off a **Statement of Personal Accounts**. Such a statement is shown in Fig. 12. This is done that they may have, at regular intervals, an itemized statement showing who owes them and how much, and also who and how much they owe.

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### MODEL SET

**20. Method for a Small Business.**—In this **Model Set** but one book, a Journal-Ledger, will be kept. This book is well adapted for a small business, such as that of a carpenter, blacksmith, cabinetmaker, plumber, painter, etc., and is much used. The various transactions are entered in the Cash Account and in the accounts of the persons dealt with, as shown in the illustrations.

The following transactions from the business of a painter will be used for the **Model Set**. This painter is a general workman who is able to do all kinds of house, sign, carriage, and ornamental painting; also, paper hanging and glazing. For the convenience of those who wish to do their own work in this line, the painter has for sale paints, brushes, and other supplies and materials.

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#### TRANSACTIONS

SCRANTON, PA., JANUARY 1, 190

I, Warren E. Smith, begin business today, at 422 Main St., with cash on hand, \$234.17.

Enter in cash account.

Make out deposit slip.

Deposit in bank.

Enter on back of check-stubs.

— 1 —

Paid January rent, \$15.00.

Make out a check in favor of C. L. Isaacs.

Make out a receipt and have Isaacs sign it.

Enter in cash account.

— 2 —

Papered two rooms for B. S. Johns, 416 Washington Ave., on account, \$11.25.

Enter in Journal-Ledger.

— 3 —

Sold Paint for cash, \$2.60.

Enter in cash account.

Deposit in bank.

Enter on back of check-stubs.

— 5 —

Stained and varnished dining room for L. M. Morrison, 720 Monroe Ave., on account, \$7.25.

Enter in Journal-Ledger.

— 6 —

Bought Canvas for signs, from O. J. Walters, 1341 Olive St., on account, \$9.00.

Journal-Ledger.

— 7 —

Painted porch for L. J. Woods, 212 Adams Ave., on account, \$4.50.

Journal-Ledger.

— 8 —

Painted house for E. D. Williams, 721 Pine St., on account, \$115.00.

Journal-Ledger.

— 9 —

Bought Lead and Oil from S. J. Keen, 819 Vine St., on account, \$82.25.

Journal-Ledger.

— 10 —

Varnished carriage for L. M. Morrison, on account, \$6.00.

Journal-Ledger.

— 12 —

Polished and varnished office chair for B. S. Johns, on account, \$3.75.

Journal-Ledger.

— 14 —

Received cash from E. D. Williams, in full of account,  
\$115.00.

Enter in cash account.

Enter in Williams's account.

Hold this check until your are told to make a deposit.

— 15 —

Bought a Show Case from O. J. Walters, on account,  
\$15.00.

Journal-Ledger.

— 16 —

Bought Supplies from S. J. Keen, on account, \$18.24.

Journal-Ledger.

— 19 —

Painted two wagons for L. M. Morrison, on account,  
\$11.00.

Journal-Ledger.

— 21 —

Sold to O. J. Walters, on account,

5 lb. Paint, .20 1.00

1 small Brush, .20

Journal-Ledger.

— 23 —

Received cash from B. S. Johns, on account, \$8.00.

Enter in cash account.

Enter in Johns's account.

Make out deposit slip for this check and for the check  
received from E. D. Williams.

Deposit.

Enter on back of check-stubs.

— 26 —

Lettered a window for L. J. Woods, on account, \$6.25.

Journal-Ledger.

— 28 —

Painted house for L. J. Woods, on account, \$90.00.

Journal-Ledger.

— 28 —

Paid S. J. Keen, on account, \$82.25.

Make out check.

Enter in cash account.

Enter in Keen's account.

— 31 —

Paid wages for January, \$127.50.

Make out check to the order of "Myself"; draw money from the bank; get the right change to pay two men \$63.75 each.

Enter in cash account.

— 31 —

Balance cash account.

Add the amounts on the check-stubs and deduct from the sum of the deposits on the back of the check-stubs.

Compare this balance with the balance shown by the cash account.

Make a Statement of Personal Accounts.

Balance and rule the accounts.



## JOURNAL-LEDGER

*B. S. Johns, 416 Washington Ave.*

1900		Dr.	Cr.
Jan 2	Papered two rooms,	11 25	
12	Polished and varnished office chairs	3 75	
23	By cash,		5 —
31	Balance forward to Page 14,		7 —
		15 —	15 —

*L. M. Morrison, 720 Monroe Ave.*

1900		Dr.	Cr.
Jan 5	Stained & varnished dining room	7 25	
10	Varnished carriage,	4 —	
19	Painted two wagons,	11 —	
31	Balance,		24 25
		24 25	24 25

*O. J. Walters, 1341 Olive St.*

1900		Dr.	Cr.
Jan 6	By Canvas for signs,		9 —
15	" Show Cases,		15 —
21	Elk Paint,	20,	1 —
1	Small Brushes		20
31	Balance,		22 00
		24 —	24 —

*L. J. Woods, 212 Adams Ave.*

		Dr.	Cr.
1911			
Jan. 7	Painted porch,	4.50	
26	Lettered window,	6.25	
28	Painted house,	90.00	
31	Balance,		100.75
		100.75	100.75

*E. D. Williams, 721 Pine St.*

		Dr.	Cr.
1911			
Jan. 8	Painted house,	115.00	
14	By cash,		115.00

*S. J. Keen, 819 Vine St.*

		Dr.	Cr.
1911			
Jan. 9	By Lead and Oil,		82.25
16	" Supplied,		15.24
28	Paid cash,	97.25	
31	Balance,	15.24	
		100.49	100.49

Cash Account		Dr.	Cr.
Jan 1	Cash on hand,	234.17	
	"    "    sent to C. L. Isaacs,		15 -
3	Cash sales,	2.60	
10	Recd from E. D. Williams, in full,	115 -	
23	"    "    "    sent to C. L. Johns, on acct.,	5 -	
25	Paid to S. J. Keen, on account,		42.25
	"    wages for January,		127.50
31	Balance forward to page 18,		135.62
		359.77	359.77

Statement of Personal Accounts, Jan 31, 190		Dr.	Cr.
1	C. L. Johns,	7 -	
2	L. M. Morrison,	24.25	
3	O. J. Watterd,		22.50
4	R. J. Woods,	100.75	
6	S. J. Keen,		182.4
	Balance due me,		98.96
		132 -	132 -



# SINGLE-ENTRY BOOKKEEPING

(PART 2)

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## GROCERY BUSINESS

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### PRELIMINARY REMARKS

**1. Books Used.**—In this Section we shall use a Journal, Cash Book, Banking Ledger, Notes and Drafts Book, a Ledger, and some business forms not given in the previous Section.

The Model Set clearly shows how the different books are written up and how the transactions are handled. The various papers are drawn to agree with some one of the transactions, and illustrate the methods in present use. Any one who will follow the instructions and work through the Model Set will get a good knowledge of how such books are kept and will be able to handle a similar set in actual work.

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### BUSINESS FORMS

**2. An Invoice, or bill,** is an itemized statement of the names, quantities, prices, and amounts of articles sold by one person to another, with the date of the sale, terms, discount allowed, if any, etc. It should be made out in a clear and comprehensive manner and itemized so that a person of ordinary intelligence can check up the bill in detail and tell exactly what articles and values it represents. Care should be taken to have the writing and the figures plain, so that no mistakes will occur in reading them. The characters @ and \$ need not be used in making out bills; they are unnecessary

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to a clear understanding of the bill, and take up valuable space and time. The use of the different columns and rulings on an ordinary bill head are fully illustrated in Fig. 1 and are self-explanatory.

All invoices, statements, etc., when paid, should be receipted, either with a rubber stamp, as shown in Fig. 1, or in a small, neat style of writing on the next or second line below the last item, and not across the face of the bill, unless absolutely necessary on account of lack of space. In all cases of part payment, only the amount paid should be entered on the bill or statement.

**3.** A bill and an invoice are really the same, but, for convenience, we shall use the term *invoice* to designate bills of goods bought, and the term *bill* to designate the invoices of goods sold. An illustration of a bill is shown in Fig. 2.

**4. Padded Checks.**—In this section we will use checks put up in pads as shown in Fig. 3, instead of a Check-Book as in the previous Section, and keep the account of the deposits and withdrawals in a Banking Ledger instead of in the Check-Book.

The checks are similar to those in a Check-Book, and should be numbered consecutively.

**5.** A **certified check** is an ordinary check that has been certified by the cashier or teller of the bank on which it has been drawn; that is, he has stamped or written across the face—usually in red ink—the word *Certified*, the date, and his signature. Such a check is shown in Fig. 4. The certifying of a check makes the bank, and not the person who drew it, responsible for its payment. The principal reason for having a check certified is that the person receiving it will have a guarantee that it shall be paid.

**6. Notes.**—A **promissory note** is an absolute promise, in writing, to pay on a certain date, or on demand, a specified sum of money to a person named therein, or to his order, or to the bearer, and signed by the maker. Fig. 5

New York, Feb 4, 190

*Mrs. Warren E. Smith,*

Bought of **EDWARDS & HASTINGS,**  
WHOLESALE AND RETAIL GROCERS.

Terms	ALL CLAIMS FOR SHORTAGE OR DAMAGE MUST BE MADE ON RECEIPT OF GOODS.	
1 lb. Sugar	14	14
1 " Flour	14	14
50 lb. Bologna	14	14
50 " Coffee	13.50	41.50
PAID		
FEB 28 190		
EDWARDS & HASTINGS		
Per	<i>E. H. H.</i>	

FIG. 1

Scranton, Pa., Feb 21, 1900

M<sup>r</sup> Martin Handley,

Bought of **WARREN E. SMITH,**  
Wholesale Grocer.

Terms \_\_\_\_\_ All Claims for Shortage or Damage Must be Made on Receipt of Goods.

3 gal. Molasses,	50,	1 50	
1 " Vinegar,		25	
100 lb Sugar,		6 -	
20 " Coffee,	25,	5 -	12 75

RECEIVED PAYMENT  
FEB 24 1900  
WARREN E. SMITH

FIG. 2

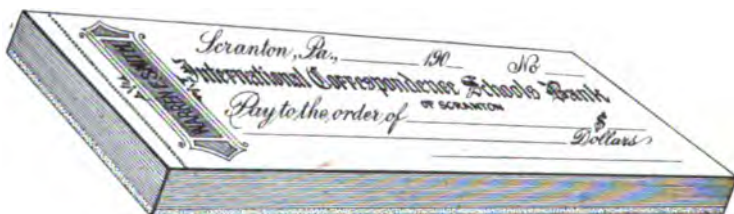


FIG. 3





FIG. 4



\$17. <sup>32</sup> / <sub>100</sub>	Scranton, Pa.	Feb. 16, 190
Ten days after date I promise to		
pay to the order of Henry Wilson,		
Seventeen &		<sup>32</sup> / <sub>100</sub> Dollars
with interest at Two percent per annum.		
at International Correspondence School Bank		
Value received		
No. 1	Due 2/26	Warren C. Smith

FIG. 6

No. 1	\$17. <sup>32</sup> / <sub>100</sub>
Due 26	
Time 10 days	
Date Feb. 16, 190	
For balance of 10	
to Henry Wilson	

shows the form of note most generally used. The manner of recording it is shown in the Notes and Drafts Book of the Model Set.

There are also notes signed by more than one party, called *joint notes* and *joint-and-several notes*.

A *joint note* reads, "We jointly promise to pay." It is supposed that each party has been equally benefited; hence, in the case of two makers of a note, only one-half of a note can be collected from each.

### ***United States of America.***

**STATE OF PENNSYLVANIA,  
CITY OF SCRANTON, SS.:**

BE IT KNOWN, That on the day and date hereof, at the request of the *International Correspondence*

*Schools Bank*, of Scranton, Pa., the holder of the \_\_\_\_\_ hereto attached, I, ALBERT L. WATSON,  
NOTARY PUBLIC FOR THE COMMONWEALTH OF PENNSYLVANIA, by lawful authority duly com-  
missioned and sworn, residing in the City of Scranton, Lackawanna County, presented the same,

at the bank where payable, to \_\_\_\_\_

the \_\_\_\_\_ and demanded payment thereof, which was refused  
and answer made—

WHEREUPON, I, the said Notary, at the request aforesaid, and do hereby solemnly protest  
against all persons and every party concerned therein, whether as Maker, Drawer, Drawee, Acceptor,  
Payer, Endorser, Guarantor, Surety, or otherwise howsoever, against whom it is proper to protest, for all  
Exchanges, Costs, Damages and Interests, suffered and to be suffered for want of payment \_\_\_\_\_  
thereof, of all which I notified the Makers and Endorsers

Witness my hand and official seal, this \_\_\_\_\_

day of \_\_\_\_\_ 190

\_\_\_\_\_  
Notary Public.

FIG. 6

A *joint-and-several note* reads, "We jointly and severally promise to pay." In this form of note the makers are united in the obligation and the payee can collect from all the makers together, or the entire face of the note from any one of them, if he is worth that amount.

To be transferable, or negotiable as it is called, notes

must be drawn payable "to the order of" or "to bearer." Any paper drawn payable only to a certain person cannot be transferred.

The best method of collecting notes and accepted time drafts is to deposit them in the bank a few days before they are due and let the bank handle them; it is a part of their business, and their charge to customers for this service is usually but little or nothing.

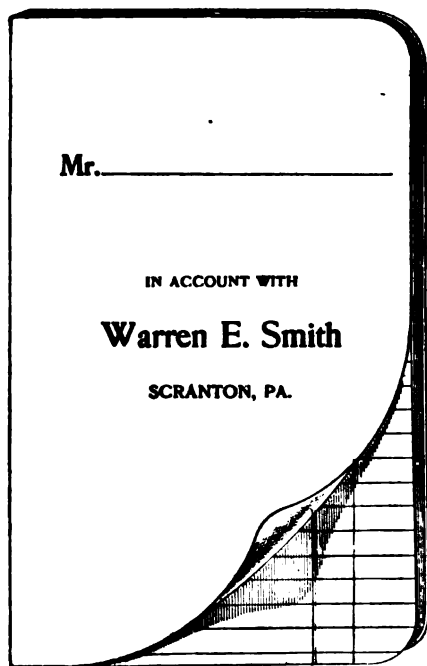


FIG. 7

**7. Protest.**—Notes having indorsers, and not paid when due, must be protested for non-payment; otherwise, in some states, the indorsers are released. **Protesting a note** is giving formal notice by the holder to the maker and indorsers, through a Notary Public, of its having been presented for payment and payment having been refused. A common form of such a notice is shown in Fig. 6.



checks. If but one check is deposited, the amount should be written in the Total Deposit column; if two or more are deposited on the same day, the amount of each check should be written in the Deposit Items column and the total amount for the day extended to the Total Deposit column. The names of those from whom the checks are received should be written in the column headed From Whom Received. Each check is entered at the time of drawing it, and its date, number, and amount given in the proper columns.

10. When it is desired to compare the cash balance shown by the Cash Book with that shown by the Banking Ledger, the debit side of the Banking Ledger, which contains all the deposits, is first added up; then the credit side, which contains all the checks drawn. If the debit side is the larger, the difference between it and the credit side will be the balance on deposit. If all the money is on deposit, the balance should be the same as that of the Cash Book; if all the money is not on deposit, the amount on hand is added to the Banking-Ledger balance, and this sum should agree with the balance shown by the Cash Book.

Under proper management, the credit side of the Banking Ledger will not be the larger; but in case it is, the difference between it and the debit side will be the amount that the bank account has been overdrawn.

11. When it is desired to close and rule up the Banking Ledger, the balance is found as stated; the balances of the Banking Ledger and Cash Book must agree, but the footings may or may not agree. If the debit side of the Banking Ledger is larger than the credit side, the difference between them is entered on the credit side, underneath the last check entered, and the account is ruled up as shown.

12. The balance shown by the bank Pass Book should agree with the cash balance, provided all checks drawn have been presented for payment. If all checks drawn have not been turned in, then the balance as shown by the bank's books will be the larger by the amount of those checks drawn but not returned by the bank as having been paid.

## NOTES AND DRAFTS BOOK

**13.** A **Notes and Drafts Book** is a memorandum book in which is kept a record of all notes and drafts payable and receivable. Any written promise to pay, such as a due bill or an order, may be treated as a note; if it has been given, it is a *note payable*; if it has been received, it is a *note receivable*. This book is not usually posted from, but is generally kept as an auxiliary book.

The Notes and Drafts Book shown in the Model Set illustrates a form much used.

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JOURNAL

**14.** All **Journals** have the same form of ruling and can be used for either single or double entry, the single-entry Journal being distinguished by the form of the entry and the use of the abbreviations Dr. and Cr. to indicate whether a person is charged or credited.

Every transaction that affects a personal account must be entered in the Journal or in the Cash Book and from there posted to the Ledger. The transactions that affect a personal account through the medium of cash must be entered in the Cash Book, but all others are entered in the Journal.

The form and arrangement of the different parts of a Journal entry are illustrated in Fig. 9. The figures in the narrow column at the left of the page are the numbers of the Ledger pages to which entries have been posted. When, in the opening entry or elsewhere, there appears a part of an entry that it is not desired to post to the Ledger, it is indicated by a check-mark, as shown before the word "Cash" in the opening entry of this illustration.

The wide column between the folio and the money columns is for the detailed explanation of a transaction. The purpose of the vertical center line through the explanation column is chiefly to serve as a guide in placing the dates in a vertical line. The left-hand money column is for the debit amounts, and the right-hand column for the credit amounts.

1

Siranton Pa., February 1, 190

I, Warren C. Smith, have this day commenced business as a grocer at 319 Adams Ave. in a store rented from C. L. Isaac at \$40 a month, payable in advance.			
My resources and liabilities, and net investment are as follows:			
1	Cash on hand.	57.50	-
2	James Ely, 312 Madison Ave., Dr.	40	-
3	William Hoot, 925 Myfflin St., "	10	-
4	August Brown, 625 Barclay St., "	25	-
These parties owe me as above:			
5	Edward & Hastings, 750 Dekmar St., Cr.	25	-
6	Gilmore & Co., 299 Penn St., W. B., "	50	-
I owe these parties as above:			
1	Warren C. Smith, net investment,	57.50	-
5 Edward & Hastings, Cr.			
Bought from them on account			
	1 lb. Sugar,	16	-
	1 " Flour,	5	-
	Sold Oolong Tea, 32, 15	-	-
	50 " Coffee, 25, 12.50	-	-
		48	50
6 Gilmore & Co., Cr.			
	1 case Canned Corn,	2.40	-
	1 " " Peas,	2.40	-
		4	80
7 Martin Horn, 614 So. Washington Ave., Dr.			
	17 lb. Sugar,	1	-
	25 " Flour,	23	75
		1	75
8 Gilmore & Co., Cr.			
	1 case Canned Tomatoes,	1.44	-
	3 doz. glasses Jelly,	2.52	-
		3	96
9 Warren Harvey, 316 Quincy Ave., Dr.			
	1 lb. Coffee,	40	-
	1 can Cocoa,	15	-
		55	-

FIG. 9



## CASH BOOK

**15. A Cash Book** is a book in which is kept an account of all money received and paid out, and usually this is the only account kept with Cash. The manner of entering the transactions is very simple and readily understood by a study of the Cash Book shown in Fig. 10. The first column is for the date, the narrow column for the page of the Ledger to which the item has been posted, and the wide column for the entry and explanation. More than one line may be used for

**1**

*Cash*

Feb. 1	Amount on hand	625 —	
2	Paid one month's store rent		40 —
7	Wm. Hoat, paid me on acct.	5 —	
12	Paid freight		1 50
1	Cash sales	142	
14	Edward Hastings, pd. them on acct.	25 —	
16	Wm. Hoat, paid me in full	5 10	
19	Paid for fuel		6 50
20	Cash sales	180	
26	Paid my note, favor of Henry Wilson		17 32
28	Paid cash for Martin Handley's note	17 78	
5	Edward Hastings, pd. them in full		48 50
	<b>Balance</b>		<b>421 28</b>
		<b>560 10</b>	<b>560 10</b>

FIG. 10

the explanation if necessary, but it should be made as brief as clearness will allow. The two money columns are for the debit and credit amounts. When cash is received, it is entered in the debit, or left-hand, column; when it is paid out, in the credit, or right-hand, column. If the book is correctly kept, the debit column will always be the larger, except in the case of overdrawing the bank account, and the difference between it and the credit column shows, at any time, the exact amount of money on hand. This difference, or balance, is proved as correct or not by comparing it with

the amount of money on hand belonging to the business, including the amount on deposit. This proving is called *balancing Cash*, and should, without exception, be performed daily. By doing so, any omitted entry will be brought to notice before the circumstances connected with it are forgotten; this not only saves trouble, but often the book-keeper's situation.

**16. Closing.**—To close the Cash Book, the debit and credit columns are footed up and the credit footing subtracted from the debit. The debit footing is the sum of the cash received during the month plus the amount on hand at the beginning; the difference between the footings is the amount on hand. This is proved as already explained; then the balance is written in red ink on the credit side, the account ruled, and the balance brought down on the debit side in black ink, as the amount on hand. The Banking Ledger is always balanced at the same time as the Cash Book.

The Cash Balance goes direct into the Statement of the Business without posting to the Ledger. It is not necessary to balance the Cash Book every time the cash is balanced, nor even at the bottom of each page; the page footings can be carried forward and the account balanced at the end of the month.

The entries in the Cash Book that affect personal accounts are posted to the Ledger the same as from the Journal. The entries not to be posted—that is, those that do not affect personal accounts—are first checked off as shown; then the other entries are posted and the numbers of the Ledger pages entered in the narrow column.

---

#### LEDGER

**17. The Ledger** is a book of accounts. It shows the final summing up of all the transactions and the standing of all accounts. The form of ruling for a Ledger page is shown in Fig. 11. The left-hand side is for the debit items and the right-hand side for the credit items, with columns for the date,

NAME OF ACCOUNT.									
YEAR.					YEAR.				
Debit side of Ledger page.					Credit side of Ledger page.				
Column for month					Column for month				
Column for day of the month					Column for day of the month				
Column for explanations					Column for explanations				
Column for page posted from					Column for page posted from				
Debit amounts.					Credit amounts.				
Dollars.					Dollars.				
Cents.					Cents.				

FIG. 11

explanation, and the pages of the books from which the items are posted. All the items affecting an account are thus collected under one head, and the account shows not only how much is due but also how much business, both debit and credit, has been done on that account.

In some offices, a copy of the items of each transaction is made in the explanation column. This necessitates considerable extra work, and it is doubtful whether the time saved in making out statements is enough to make it advisable to do this with all entries. It is sometimes best, however, to have some explanation in the Ledger regarding certain entries; in all such cases the explanation column should be used freely.

**18.** The **indexing** of the Ledger means the writing of the names of all those whose accounts appear in the Ledger, in alphabetical order, in an **Index Book**, or on the first pages of the Ledger, which are especially arranged for that purpose, by allotting a page or a number of pages to each letter of the alphabet. Small Ledgers are sometimes indexed by printing two or more letters on the same page or in the same index column. All the accounts the names of which begin with A should be placed in the index under the letter A, and all that begin with B should be placed under B, and so on through the entire alphabet. The names of individuals are indexed under the initial of the surname; the names of firms under the initial of the first name; and the names of companies under the first important word. Thus, Warren E. Smith would be under S as Smith, Warren E.; Edwards & Hastings, under E; Gilmore & Co., under G; The Reading Railroad Co., under R; etc.

In writing the index, great care should be taken to write the names very compactly, placing the initials and figures close to the name, thus saving as much space as possible in the index pages.

In the index given here, the number 4, following the name of Angus Brown, shows that his account is on page 4 of the Ledger; the figure 2, following the name of James Ely, shows that his account is on page 2 of the Ledger, etc.

## LEDGER INDEX

B	M
Brown, Angus, 4	Mylert & Co., 11
E	R
Ely, James, 2	Rothermore, Henry, 9
Edwards & Hastings, 5	S
G	Smith, Warren E., 1
Gilmore & Co., 6	Sloat, William, 3
H	W
Horn, Martin, 7	Wilson, Henry, 10
Harvey, Warren, 8	
Handley, Martin, 12	

## BUSINESS METHODS

**19.** By **posting** is meant the transferring from the Journal and the Cash Book of all items, both debit and credit, that affect one account to one page in the Ledger, and all items that affect another account to another page. When two books are to be posted from, as in this Section,



FIG. 12

care should be taken to follow a certain order and to see that no items are omitted and none posted twice. In the Model Set of books, the Journal entries are posted first and then the Cash-Book entries. If the above explanations are thoroughly understood and the following directions observed, there will be no difficulty in correctly posting the transactions from the Journal and the Cash Book to the Ledger.



All items are posted in exactly the same way, the credits to the credit side and the debits to the debit side of the accounts to which they belong, giving each account a separate page and opening them as needed.

Carefully trace the posting of this item and the others of the Model Set, and endeavor to understand this work before going further; if the order given here is exactly followed, there will be no mistakes.

**20. Statement of Account.**—When itemized bills are not given with sales on account, and Pass Books are not used by customers, an itemized statement giving a complete list of the articles sold, as shown in Fig. 13, should be sent to the customer at the end of each month.

Before a statement is made out, all the items in the Journal and the Cash Book should be posted to the Ledger. In making a statement, reference is first made to the Ledger for the date and the amount of each sale; then, turning to the page of the Journal from which the items were posted, the name of the article is copied on the statement. All the debits are listed first, then all the credits, after which the balance is brought down as shown.

Statements are made out only for those who owe us; the people we owe will make out their statements and send them to us.

When Pass Books are kept, or when itemized bills are given with the purchases, the statement need contain only the date and total amount of each debit and credit, as shown in Fig. 14.

**21. Statement of the Business.**—A statement showing the resources and liabilities and giving the standing of a business at the end of any business period is termed a **Statement of the Business**. The first collection of accounts to be shown by this statement is the *resources*. These are the cash on hand, the personal accounts due us, furniture, merchandise, notes receivable, rent, or insurance paid in advance, and any other things of value that the business may possess. The amount of cash on hand is





replace the articles. The notes receivable are taken from the Notes and Drafts Book. The sum of all these is the total resources.

A list of *liabilities* is next made. These consist of the personal accounts that the proprietor owes, which are shown by the Ledger, and the notes payable, which are shown by the Notes and Drafts Book.

*Statement of Warren E. Smith's Business, Feb. 25, 1902*

<i>Resources:</i>			
<i>James Taylor, from Ledger</i>	<i>90—</i>		
<i>August Brown, " "</i>	<i>263.5</i>		
<i>Martin Horn, " "</i>	<i>7.09</i>		
<i>Warren Harvey, " "</i>	<i>4.65</i>		
<i>Henry Rothermel, " "</i>	<i>4.15</i>		
<i>Cash, from Cash Book</i>	<i>421.25</i>		
<i>Merchandise Inventory</i>	<i>159.71</i>	<i>713.26</i>	
<i>Liabilities:</i>			
<i>Gilmore &amp; Co. from Ledger</i>	<i>44.76</i>		
<i>Notes Payable, Notes and Drafts Book</i>	<i>11.55</i>	<i>56.31</i>	
<i>Warren E. Smith, Proprietor</i>		<i>636.92</i>	
<i>Warren E. Smith, Proprietor</i>			
<i>Present Worth, Feb. 25, 1902</i>	<i>636.92</i>		
<i>Investment, " 1, 1902</i>	<i>575—</i>		
<i>Net gain, " 25, 1902</i>	<i>61.92</i>		

FIG. 15

The difference between the resources and the liabilities is the *Present Worth*. The difference between the Present Worth now and the Present Worth, or net investment, at the beginning of the business period, is the *gain* or *loss*. If the proprietor is worth more than at the beginning, he has gained that much; if he is worth less, he has lost that much. We find from the Statement of the Business shown in Fig. 15 that Warren E. Smith has gained \$61.92.

He is the proprietor and must be credited with the gain or charged with the loss. An entry is therefore made in the Journal crediting him with \$61.92 gain, and this amount is posted to his account in the Ledger. The account is then balanced and the Present Worth brought down as the net investment with which to continue business.

---

## MODEL SET

**22. Business of a Grocer.**—In order to show how the books explained are handled, we will write up the set, using the following transactions from the business of a grocer. Directions are given with each transaction, and the illustrations show how the entries are made and how the items are posted from the Journal and the Cash Book to the Ledger.

---

### TRANSACTIONS

SCRANTON, PA., FEBRUARY 1, 190

I, Warren E. Smith, have this day commenced business as a grocer at 319 Adams Ave., in a store rented from C. L. Isaacs at \$40.00 per month, payable in advance. My net capital is \$575.00.

James Ely, 312 Madison Ave., owes me, on account,	90.00
William Sloat, 925 Mifflin Ave., owes me, on account,	10.00
Angus Brown, 625 Carbon St., owes me, on account,	25.00
Cash invested,	525.00
I owe Edwards & Hastings, 520 Beekman St., New York, on account,	25.00
I owe Gilmore & Co., 729 Ann St., New York, on account,	50.00
Warren E. Smith's net investment,	575.00
Journal entry.	
Cash in Cash Book and Banking Ledger.	

— 2 —

Paid C. L. Isaacs, store rent for one month in advance,  
\$40.00.

Cash Book.

Banking Ledger.

— 4 —

Bought from Edwards & Hastings, on account,

1 bbl. Sugar,	16.00	
1 " Flour,	5.00	
50 lb. Oolong Tea, .30	15.00	
50 " Coffee, .25	12.50	48.50

Journal.

— 5 —

Bought from Gilmore & Co., on account,

1 case Canned Corn,	2.40	
1 " " Peas,	2.40	4.80

Journal.

— 6 —

Sold to Martin Horn, 816 S. Washington Ave., on account,

17 lb. Sugar,	1.00	
25 " Flour, .03	.75	1.75

Journal.

— 7 —

Received from William Sloat, cash on account, \$5.00.

Cash Book.

Banking Ledger.

— 8 —

Bought from Gilmore & Co., on account,

1 case Canned Tomatoes,	1.44	
3 doz. glasses Jelly,	2.52	3.96

Journal.

— 10 —

Sold to Warren Harvey, 316 Quincy Ave., on account,

1 lb. Coffee,	.40	
1 can Corn,	.15	.55

Journal.

— 10 —

Bought from Henry Wilson, 824 Gold St., New York, on account,

1 tub Creamery Butter, 70 lb.,	.22	15.40	
6 4-lb. pails Lard, 24 lb.,	.08	1.92	17.32

Journal.

— 12 —

Paid freight on Butter and Lard, \$1.50.

Cash Book.

Banking Ledger.

— 12 —

Sold to Harvey Brown, for cash,

3 lb. Creamery Butter,	.29	.87	
1 " Coffee,		.40	
1 can Corn,		.15	1.42

Cash Book.

Hold until directed to make a deposit.

— 13 —

Sold to Henry Rothermore, 12 Webster Ave., on account,

3 lb. Creamery Butter,	.29	.87	
1 " Oolong Tea,		.50	
1 " Coffee,		.40	
3 glasses Jelly,	.12	.36	
17 lb. Sugar,		1.00	
1 can Tomatoes,		.10	3.23

Journal.

— 14 —

Sold to Angus Brown, on account,

1 can Tomatoes,	.10
-----------------	-----

Journal.

— 14 —

Sold for cash,

51 lb. Sugar,	3.00	
150 " Flour,	6.00	9.00

Cash Book.

Deposit with cash sales of 12th and enter in Banking Ledger.

— 15 —

Sold to William Sloat, on account,  
1 glass Jelly, .10

Journal.

— 16 —

Gave Henry Wilson a 10-day note for invoice of 10th,  
\$17.32.

Journal.

Notes and Drafts Book.

— 16 —

Paid Edwards & Hastings, on account, \$25.00.

Cash Book.

Banking Ledger.

— 17 —

Sold to Henry Rothermore, on account,  
1 lb. Oolong Tea, .50

Journal.

— 18 —

Sold to Angus Brown, on account,  
17 lb. Sugar, 1.00  
1 can Corn, .15  
1 " Tomatoes, .10 1.25

Journal.

— 18 —

Bought from Mylert & Co., 216 Cortlandt St., New York,  
on account,

1 bbl. Molasses, 10.08  
10 gal. Vinegar, 1.50 11.58

Journal.

— 19 —

Received from William Sloat, cash in full of account,  
\$5.10.

Cash Book.

Banking Ledger.

— 20 —

Paid cash for fuel, \$6.50.

Cash Book.

Banking Ledger.

## — 20 —

Sold to Warren Harvey, on account,

17 lb. Sugar,	1.00	
3 " Coffee,	.40	1.20
2 " Oolong Tea,	.50	1.00
1 gal. Molasses,	.60	3.80

Journal.

## — 21 —

Sold to Martin Handley, 16 Phelps St., on account,

3 gal. Molasses,	.50	1.50	
1 " Vinegar,		.28	
102 lb. Sugar,		6.00	
20 " Coffee,	.25	5.00	12.78

Journal.

## — 22 —

Sold to Martin Horn, on account,

4 cans Corn,	.15	.60	
3 " Tomatoes,	.10	.30	
4 lb. Creamery Butter,	.29	1.16	
3 " Coffee,	.40	1.20	
2 " Oolong Tea,	.50	1.00	4.26

Journal.

## — 22 —

Bought from Gilmore & Co., on account,

25 sacks Salt,	.10	2.50	
14 Brooms,	.25	3.50	6.00

Journal.

## — 23 —

Sold to Henry Rothermore, on account,

1 can Corn,	.15	
-------------	-----	--

Journal.

## — 24 —

Received a 4-day note from Martin Handley, for bill of 21st, \$12.78.

Journal.

Notes and Drafts Book.

— 24 —

Sold to Martin Horn, on account,

2 glasses Jelly,	.10	20	
1 gal. Molasses,		.60	
1 " Vinegar,		.28	1.08

Journal.

— 25 —

Sold for cash,

2 Brooms,	.40	.80	
1 gal. Molasses,		.60	
1 " Vinegar,		.30	
1 glass Jelly,		.10	1.80

Cash Book.

Hold until directed to deposit.

— 25 —

Sold to Warren Harvey, on account,

1 can Corn,	.15		
1 " Peas,	.15	.30	

Journal.

— 26 —

Paid my note of 16th, due today, in favor of Henry Wilson,  
\$17.32.

Cash Book.

Banking Ledger.

Mark note paid in Notes and Drafts Book.

— 26 —

Gave Mylert & Co. a 30-day note, for invoice of 18th,  
\$11.58.

Journal.

Notes and Drafts Book.

— 26 —

Sold to Henry Rothermore, on account,

1 lb. Creamery Butter,	.30		
------------------------	-----	--	--

Journal.

— 28 —

Received cash from Martin Handley, for note of 24th, due today, \$12.78.

Cash Book.

Mark note paid in Notes and Drafts Book.

Deposit with amount held from 25th, and enter in Banking Ledger.

— 28 —

Paid Edwards & Hastings, in full of account, \$48.50.

Cash Book.

Banking Ledger.

— 28 —

Rule date lines in Journal.

Balance and rule Cash Book.

Post to Ledger, Journal first, then Cash Book. Always rule a Ledger account whenever it balances.

Make out a Statement of the Business.

Credit Warren E. Smith in Journal with gain, and post to his account in the Ledger. Balance and rule account.

INVENTORY

Estimated value of goods on hand,        \$159.71



JOURNAL

1

Scranton Pa., February 1, 190

I, Warren E. Smith, have this day commenced business as a grocer at 319 Adams Ave., in a store rented from C. L. Isaacs at \$20 a month, payable in advance. My resources and liabilities, and net investment are as follows:									
1	Cash in hand.							57.5-	
2	James Ely, 312 Madison Ave., Dr.							40-	
3	William Wheat, 950 Mylin, "							10-	
4	August Brown, 125 Lombard St., "							25-	
These parties owe me as above:									
5	Edward & Hastings, 107 Edmond St., Cr.							25-	
6	Silmore & Co., 719 South 7th St., "							50-	
I owe these parties as above:									
1	Warren E. Smith, net investment							57.5-	
4									
5	Edward & Hastings, Cr.								
Bought from them on account:									
	1 lb. Sugar							16-	
	1 " Flour							5-	
	5 lb. Colong Tea							30, 15-	
	50 " Coffee							25, 12.5	40.50
5									
6	Silmore & Co., Cr.								
	1 case Canned Corn							2.40	
	1 " " Beans							2.40	4.80
6									
7	Martin Horn, 101 La Washington St., Dr.								
	17 lb. Sugar							1-	
	25 " Flour							23, 75	17.5
7									
6	Silmore & Co., Cr.								
	1 case Canned Tomatoes							1.40	
	3 doz. glasses jelly							2.50	3.90
10									
8	Warren Harvey, 216 Quincy Ave., Dr.								
	1 lb. Coffee							4.00	
	1 can Corn							1.50	5.50

2

February 10, 1905

10	Henry Wilson,	can. Mol. 4 lb. 7 1/2 lb. Co		
		1 tub, 7 lb. Creamery Butter 22, 50		
		1 with pails, Soap, 24 lb. 25, 19		17.32
		13		
9	Henry Rothermores,	112 White Sulph. Dr.		
		3 lb. Creamery Butter, 29, 57		
		1 " Oolong Tea, 50		
		1 " Coffee, 40		
		3 glasses Jelly, 12, 36		
		17 lb. Sugar, 1-		
		1 can Tomatoes, 10	9.23	
		14		
4	August Brown,	Dr.		
		1 can Tomatoes, 10		
		15		
3	Wm. Sloat,	Dr.		
		1 glass Jelly, 10		
		16		
10	Henry Wilson,	Dr.		
		Pay him a 10-day note		
		in payment of invoice of Oct	17.32	
		17		
9	Henry Rothermores,	Dr.		
		1 lb. Oolong Tea, 50		
		18		
4	August Brown,	Dr.		
		17 lb. Sugar, 1-		
		1 can Corn, 15		
		1 " Tomatoes, 10	12.5	
		18		
11	Mayhew & Co.,	100 lb. Molasses, 10.00		
		1 gal. Vinegar, 1.50		11.50
		20		
5	Warren Harvey,	Dr.		
		17 lb. Sugar, 1-		
		3 " Coffee, 40, 1.22		
		2 " Oolong Tea, 50, 1-		
		1 gal. Molasses, 60	3.50	





## BANKING LEDGER

*M. Warren E. Smith*

IN ACCOUNT WITH

## INTERNATIONAL CORRESPONDENCE SCHOOLS BANK

190	Date	From Whom Received	Deposit Date	Total Deposit	190	Date	To	Check
Feb	1	Investment		525-	Feb	2	Bank	41-
	7	Wm. Streat		5-		12	Trigher	1.50
	14	Cash sales		1242		16	Exch.	3 25-
	19	Wm. Streat		510		20	Fuel	6.50
	26	Cash sales	180			26	Notes	17.32
		Handly's note	1275	1455		26	Exch.	40.50
							Bal.	421.28
				560.10				560.10
Mar	1	Balance		421.28				





Henry Rothermorc, 12 Webster Ave.

[illegible]

Henry Wilson, 224 Gold St. N.Y.

[illegible]

Myler & Co., 216 Cortlandt St., N.Y.

190	191
Feb. 26	Feb. 18
3	2
11.58	11.58

Martin Handley, 16 Phelps St.

[illegible]



*Statement of Warren C. Smith's Business, Feb. 28, 1900.*

<i>Resources:</i>			
James Cole, from Ledger,	90 -		
August Brown, " "	263.5		
Martin Kern, " "	7.09		
Warren Harvey, " "	4.65		
Henry Rothermore, " "	4.18		
Cash, from Cash Book,	421.28		
Merchandise, Inventory,	159.71	713.26	
<i>Liabilities:</i>			
Gilmore & Co., from Ledger,	64.76		
Notes Payable, Notes Drafts Book,	11.58	76.34	
Warren C. Smith, from North,		636.92	
<i>Warren C. Smith, Proprietor</i>			
Present North, Feb. 28, 1900,	636.92		
Investment, " 1, 1900,	575 -		
Net gain, " 28, 1900,	61.92		



**RECEIVABLE.**

[illegible]



# SINGLE-ENTRY BOOKKEEPING

(PART 3)

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## PROVISION BUSINESS

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### PRELIMINARY REMARKS

**1. Books Used.**—We shall illustrate in this, the third Section of *Single-Entry Bookkeeping*, the manner of opening a set of partnership books, closing them, and dividing the gains or losses. The books used will be a Journal, Cash Book, Ledger, and an Envelope System for keeping the accounts of customers.

**2. Partners' Accounts.**—Each partner will have two accounts, one called a stock account, for his investment and gains or losses; the other, a personal account, for his purchases and other transactions with the firm, which account is kept the same as that of any customer. The object of this is to avoid any difficulty in dividing the gains or losses in proportion to the investment of the partners, as by this plan the investments are not changed, which would be the case if one account with each partner were used for all transactions.

---

### BUSINESS FORMS

**3. Agreement.**—In forming a partnership, it is always best to have a written agreement signed by both partners. Fig. 1, which is a common form of copartnership agreement, gives a clear idea of how such a paper should be drawn up. Fig. 2 is the indorsement on the back for convenience in filing.

*For notice of copyright, see page immediately following the title page*

Agreement, Witnesseth, That James Early  
of Scranton, Pa. and Geo. L. Walters  
of Scranton, Pa. have this day agreed to associate themselves together as a  
copartnership, for the purpose of engaging in the business of provision dealers  
at Scranton, in Lackawanna County, Penna.  
under the firm name and style of Early & Walters.  
the term of said copartnership to continue one year from and after the  
first day of March, 19  , unless sooner dissolved.

The aggregate amount of capital to be put into the business of said copartnership is to be  
Four Thousand Dollars, of which amount  
the said James Early agrees to put in Two Thousand Dollars,  
the said Geo. L. Walters agrees to put in Two Thousand Dollars,  
and the said copartners shall share all losses and profits of the said copartnership in the ratio of  
one-half each.

Each of the parties to this contract hereby binds himself to work to the best interests of the copartnership  
and to give his time and attention to the business of the firm as follows:

Each partner to give his whole  
time to the business.

And the said partners shall be permitted to draw out of the business of said copartnership in cash or mer-  
chandise, or both, the following amounts, to wit:

Fifty dollars each, per month.

It is especially agreed that neither of the parties to this contract shall sign or endorse any bond, note,  
draft, or commercial paper, nor sign any official or other bond, nor do any other act to create a financial  
liability or obligation, without the written consent of his copartner.

At the expiration or sooner determination of said copartnership, the business and property of said firm  
may be closed out by sale; and after all debts and liabilities are paid and discharged, the amount remaining  
shall be divided between the partners in the ratio of their respective interests; or if the partners so agree, the  
copartnership may be continued for such further time, and upon such terms, as the members thereof may be  
able to agree upon.

Witness our hands this first day of March, 19    
James Early  
Geo. L. Walters

4. A **shipment** is a quantity of goods *not sold*, but shipped to some person for sale. This person is usually called a *commission merchant*. He acts as selling agent for the person sending the goods, charging him a certain percentage for selling them. This charge is called *commission*, and is deducted by the seller from the amount received from the sale of the goods. He also deducts any charges that he may have paid in the way of freight, drayage, cooperage, insurance, storage, etc. The amount remaining after deducting the charges and commission is called the *net proceeds*, and belongs to the party sending the goods to be sold.

When a shipment is made, the goods are not charged to the party to whom they are sent, but to Shipment No. 1, 2, or 3 (as the case may be), to so and so, naming the person to whom they are sent. The goods are usually charged at cost price; if the net proceeds are more than this, of course the difference is the net gain; if less, it is a loss.

Unsold goods on a shipment should be considered as an inventory for that account, and used in the Statement of Business as a resource.

5. **Consignments.**—The terms shipment and consignment are used interchangeably, except when sending and

<b>Agreement of Copartnership</b>
<b>BETWEEN</b>
<u>James Early.</u>
<u>Geo. L. Walters.</u>
<b>BEGINNING</b>
<u>March 1, 18</u>
<b>CONTINUING</b>
<u>One year.</u>

FIG. 2

receiving goods to be sold on commission, in which case we apply *shipment* to goods sent to be sold, and *consignment* to goods received to be sold on commission. Consignment accounts should be headed Consignment No. 1, 2, or 3 (as the case may be) from the person or firm sending the goods.

Commission houses keep what is called a Consignment Book, which shows the quantity of each kind of goods

### ACCOUNT SALES.

Of Merchandise Received <u>March 15</u> 19 <u>0</u>																									
From <u>Puckingham Creamery Co., Dalton, Ga.</u>																									
To be sold on commission _____																									
20 boxes Cream Cheese, 65 cts. lb., 22	163.00																								
5 tubs Creamery Butter, 42 cts. lb., 25	107.00																								
	250.00																								
We inclose <u>check</u> for \$226.00 to settle above sales.  We will dispose of the goods on hand to the best advantage as soon as possible. Present market price _____  Made on hand <u>None</u>	<table border="1"> <thead> <tr> <th colspan="2">CHARGES.</th> </tr> </thead> <tbody> <tr> <td>Freight, . . . . .</td> <td>2.27</td> </tr> <tr> <td>Drayage, . . . . .</td> <td></td> </tr> <tr> <td>Commission, . . . . .</td> <td>12.55</td> </tr> <tr> <td>Drafts, . . . . .</td> <td></td> </tr> <tr> <td>Storage, . . . . .</td> <td>9.5</td> </tr> <tr> <td>Insurance, . . . . .</td> <td>1.51</td> </tr> <tr> <td>Advertising, . . . . .</td> <td>16.77</td> </tr> <tr> <td>Cooperage, . . . . .</td> <td></td> </tr> <tr> <td>Dis. for adv. Proceeds, . . . . .</td> <td></td> </tr> <tr> <td>Exc. on Proceeds, . . . . .</td> <td></td> </tr> <tr> <td>NET PROCEEDS, . . . . .</td> <td>234.11</td> </tr> </tbody> </table>	CHARGES.		Freight, . . . . .	2.27	Drayage, . . . . .		Commission, . . . . .	12.55	Drafts, . . . . .		Storage, . . . . .	9.5	Insurance, . . . . .	1.51	Advertising, . . . . .	16.77	Cooperage, . . . . .		Dis. for adv. Proceeds, . . . . .		Exc. on Proceeds, . . . . .		NET PROCEEDS, . . . . .	234.11
CHARGES.																									
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Dis. for adv. Proceeds, . . . . .																									
Exc. on Proceeds, . . . . .																									
NET PROCEEDS, . . . . .	234.11																								

FIG. 8

received and sold and the account of the expenses connected with each consignment. In this Section, however, we shall use the explanation columns of the Ledger as a place in which to keep an account of the quantity of each kind of goods received and sold. When accounts of consignments are kept in this way, an entry of each kind of goods received should be made in the Journal. There will be no dollars-and-cents items to post, but a Ledger account should be opened and a record of the items made



in the explanation column on the debit side of the account. Any expense paid in cash on account of the consignment should be charged to it through the Cash Book, but charges for storage, insurance, commission, etc., and credit entries for sales should be made in the Journal.

6. An account sales is an account rendered by the commission merchant to the shipper of the goods sold, showing the prices obtained for the goods, giving an itemized statement of the charges, and the amount of the net proceeds. Each commission house has a form suited to its particular business.

Fig. 3 shows a form often used, and from it others can easily be designed.

7. A draft is a written order, or request, drawn by one person on another, directing the payment of money to the party named therein, on account of the person drawing the draft. The form of a draft, also the form of an acceptance as commonly used on time drafts, is shown in Fig. 4.

There are three original parties to a draft: the drawer, the drawee, and the payee.

Figure 3 is a form for an account sales. It features a large diamond-shaped stamp in the center that reads "EARLY & WALTERS". The form contains several handwritten entries: "Scranton, Pa." at the top left, "March 24, 1900" at the top right, "Pay to the Order of" in the middle, and "Early & Walters" at the bottom right. There are also some numbers and other markings, including "37 Dollars" and "with exchange".

FIG. 3

Figure 4 is a form for a draft. It features a large diamond-shaped stamp in the center that reads "EARLY & WALTERS". The form contains several handwritten entries: "Draft for \$64.37" at the top left, "Date March 24" at the top right, "On J. J. Hamilton" in the middle, and "Early & Walters" at the bottom right. There are also some numbers and other markings, including "37 Dollars" and "with exchange".

FIG. 4

The drawer is the person that writes the draft, or request to pay; the drawee is the person on whom the draft is drawn—that is, the one who is to pay the draft; and the payee is the person that gets the money when the draft is paid.

There are two kinds of drafts—sight drafts and time drafts. Sight drafts are those payable at sight—that is, payable when presented. It is necessary to have sight drafts accepted in those states only that allow days of grace. Sight drafts, when received, are the same as cash.

Time drafts are drawn payable a certain number of days after sight, or after date. They must be presented by the holder for acceptance to the person on whom they are drawn. The date of maturity of those drawn “after sight” is reckoned from the date of acceptance, and of those drawn “after date” from the date of the draft. Days of grace are not used in the transactions here given.

Accepting a draft, as it is called, is the act of writing or stamping on its face the word “Accepted,” together with the current date and the signature, as shown in Fig. 4. This is usually done in red ink, probably for the reason that red ink will make it more prominent; the legal effect is the same with any color of ink. Accepting a draft is equal to signing a note; it is an absolute promise to pay when due.

Time drafts that are payable to you are Drafts Receivable.

Time drafts that you are to pay are Drafts Payable.

Both forms of drafts, like notes receivable and payable, should be recorded in a Notes and Drafts Book.

8. The note, “No protest. Take this off before presenting,” shown at the left-hand end of the draft, if left on by the party depositing it, is to notify the bank that the note is not to be protested if not paid. The bank takes this note off before presenting it to the party for payment. If the draft is one bearing indorsements, and it is desired to protest it if not paid, then this notice should be taken off before the draft is deposited.

## BOOKS

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### JOURNAL

9. The **Journal** is used for all transactions that do not involve cash or do not belong to such personal accounts as are kept by the Envelope System. It is the same as that kept in the previous Section, and as it was fully described there it will be unnecessary to go into the details here.

---

### CASH BOOK

10. The **Cash Book** used in this Section differs from that previously used, in that instead of using one page for the debit and credit items, two pages are used, the cash received being entered on the debit, or left-hand, side of the Cash Book, and the cash paid out on the credit, or right-hand, side.

The manner of entering the transactions in the Cash Book will readily be understood by a reference to Fig. 5. On the debit page, the first money column is for cash sales and the second column for all other items. When a page is filled, the columns must be footed and the amounts carried forward to a new page. At the end of the month the first, or cash-sales, column should be footed and the amount carried into the second column. All items in the second column that do not come from Envelope System accounts should be posted to the proper accounts in the Ledger. This may be done at the end of each month, but it is better to post daily and thus keep all accounts up to date. On the credit page of the book, but one column is used and each item posted separately. If there were many items of one kind, like freight, for instance, it would be a good plan to have a special column for them and post the total at the end of the month.

The Cash Book is closed by extending the footing of the cash-sales column on the debit side of the book into the second, or general, column, and then finding the footing of this column, including the amount invested or brought

forward. The credit footing is next found and subtracted from the debit, and the difference entered in red ink on the credit side of the book, the account being ruled and footed as shown in the illustration, and the balance brought down or carried forward to another page as the first entry for the next business period.

**11. Posting From the Cash Book to the Ledger.**  
It must be remembered, in posting from the Cash Book to

2

*Cash.*

189					
Mar.	1	Cash invested,			4000 —
	1	Cash sales,	415		
	2	" "	545		
	3	" "	774		
	5	" "	515		
	11	J. T. Hamlin, for bill of 7th,		175 50	
	12	Cash sales,	950		
	15	James Gages, for bill of 12th,		72 35	
	15	Cash sales,	421		
	18	Windsor Hotel, on account,		30 —	
	19	Cash sales,	995		
	21	" "	475		
	1	E. A. Alpaugh, for bill of 16th,		715	
	1	Geo. Carpenter, on account,		5 —	
	23	Windsor Hotel, in full,		2415	
	24	J. T. Hamlin, sight draft, for bill of 9th,		1437	
	25	A. K. Clark, net proceeds, ship No. 1,		3916	
		Total cash sales,		5396	
				4476 70	
Apr.		Balance,		3579 42	

FIG. 5 (a)

the Ledger, that if an entry made on the left-hand page of the Cash Book debits Cash, it must credit the account named in the entry; and if an entry made on the right-hand page of the Cash Book credits Cash, it must debit the account named in the entry. Therefore, all items found in the second column on the debit side of the Cash Book must be posted to the credit of the respective accounts in the Ledger or Envelope System, and all items found on the credit side of

Cash

2

Mar. 14	Rent, paid in advance,	50 —
25	Insurance, premium on policy,	20 —
15	Freight & cartage, for store,	79 75
5	Consignment No. 1, B. C. Co., freight,	2 27
10 3	Darrah & Dalton, paid night draft,	91 —
12 6	Consignment No. 1, B. C. Co., net proceeds,	234 11
17 4	Brown Bros., paid invoice of 1st,	128 50
18 11	Consignment No. 2, B. C. Co., freight,	3 15
27 5	W. H. Marshall, paid on account,	100 —
29 3	Darrah & Dalton, paid in full,	102 50
31 12	Freight bill for month,	19 —
16	Expenses, clerk's salaries for month,	75 —
	<u>Balance,</u>	3,159 42

ference, which shows the balance of the cash on hand, is taken direct from the Cash Book into the Statement of Business. If posted, the balance of the Cash account in the Ledger is taken into the Statement of the Face of the Ledger, and from there into the Statement of Business. This balance is, however, exactly the same as that of the Cash Book, so whichever way is adopted the figures for this account are the same.





given for a full-paid account whichever is preferred. By this

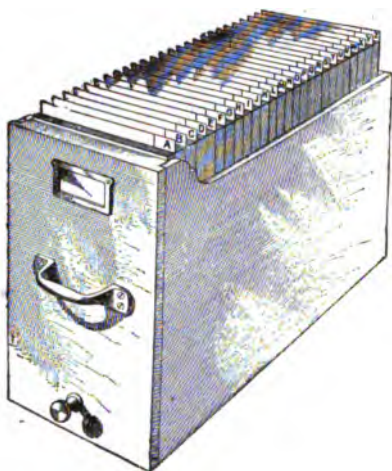


FIG. 8

method, a perfect record is made of all sales and payments on account at the least expense for bookkeeping work. The filing case for paid accounts should be indexed exactly like that for active accounts, then there will be no difficulty in locating any particular record at any time. Some bookkeepers further divide the alphabetical index by adding extra cards for frequently occurring family names, as

Jones, Smith, etc., thus adding where there is a large list of accounts, to the facility with which a certain envelope may be found.

### MODEL SET

**14. Business of a Grocer.**—The following transactions are to be entered in the Journal, Cash Book, and Envelope System, and posted to the Ledger. The proprietors will each have an investment account in the Ledger, and a personal account kept, like that of any other customer, in the Envelope System.

The Envelope System, as here kept, deals only with the outside of the envelope, the salesmen's slips not being used.

Ledger accounts will be kept of Consignments, Shipments, Freight, Storage, etc., as well as with the proprietors.

It is not necessary to itemize purchase entries in the Journal, since the invoices can be numbered in the order of their receipt and referred to when necessary. When paid, invoices should be filed in numerical order.

The illustrations following the transactions show how the different books are kept.



## PRICE LIST

ARTICLE	QUANTITY	COST PRICE	SELLING PRICE
Apples, Winter,	bbl.	3.15	3.95
Beans, White,	bu.	1.42	1.95
Buckwheat Flour,	100 lb.	2.20	2.50
Canned Baked Beans,	doz.	.90	1.50
" " "	can		.15
" Peas,	doz.	1.12	1.50
" " "	can		.15
" Peaches,	doz.	1.20	1.42
" " "	can		.13
" Soups,	doz.	1.50	2.00
" " "	can		.20
" Tomatoes,	doz.	1.10	1.30
" " "	can		.12
Cheese, Cream,	lb.	.15	.22
Cheese, Fancy,	doz.	1.80	2.75
" " "	jar		.25
Creamery Butter,	lb.	.20	.25
Corn Meal,	100 lb.	1.85	2.28
Flour, Graham,	bbl.	3.50	4.25
" L. S.,	"	3.75	4.55
Oysters, Shell,	sack	2.65	3.15
Oranges, No. 1,	box	2.00	2.75
" No. 2,	"	1.75	2.25
Potatoes, Sweet,	bbl.	2.30	3.15
" White,	bu.	1.10	1.35
" " "	"	1.05	1.35
Vinegar,	gal.	.12	.22

## TRANSACTIONS

SCRANTON, PA., MARCH 1, 190

A copartnership has this day been formed between James Early and George L. Walters, for the purpose of carrying on a Provision Business at 147 Market St., Scranton, Pa.

The above store has been leased from George T. Johnson, for one year, at a monthly rental of \$50.00, payable monthly in advance.

The style of the firm name is to be Early & Walters.

The gains or losses are to be shared equally.

James Early invests cash, 2000.00

George L. Walters invests cash, 2000.00

Journal and Cash-Book entries.

— 1 —

Received the following invoices for goods purchased.  
Goods received and found to be O. K.

Darrah & Dalton, 76 Main St., Wilkes-Barre, Pa.,

10 bbl. L. S. Flour,	3.75	37.50	
625 lb. Buckwheat Flour,	2.20	13.75	
3 bbl. Graham Flour,	3.50	10.50	
500 lb. Corn Meal,	1.85	9.25	71.00

Brown Bros., 113 Fulton St., New York,

10 boxes Cream Cheese, 340 lb.,	.15	51.00	
2 " No. 1 Oranges,	2.00	4.00	
4 " No. 2 "	1.75	7.00	
1 bbl. Vinegar, 42 gal.,	.12	5.04	
4 cases Canned Peas, 8 doz.,	1.12	8.96	
6 " " Peaches, 12 doz.,	1.20	14.40	
4 " " Tomatoes, 8 doz.,	1.10	8.80	
6 doz. " Baked Beans,	.90	5.40	
3 " " Soups,	1.50	4.50	
2 tubs Creamery Butter, 97 lb.,	.20	19.40	128.50

W. A. Marshall, 47 Vine St., Philadelphia, Pa.,

10 bbl. Sweet Potatoes,	2.30	23.00	
100 bu. White "	1.05	105.00	
20 bbl. Winter Apples,	3.15	63.00	191.00

Credit the parties bought of in the Journal. The entries need not be itemized.

— 1 —

Sold for cash,

$\frac{1}{2}$ bbl. Winter Apples,	1.98	
10 lb. Cream Cheese,	.22	2.20 4.18

Cash-Book entry; place the amount in the first debit column.

— 1 —

Paid rent of store for one month in advance, \$50.00.

Cash Book. Debit Rent.

— 2 —

Paid insurance, premium on policy taken out today, \$20.00.

Cash Book. Debit Insurance. (See Art. 11.)

— 2 —

Paid Manning & Co., 12 Washington Ave., for furniture for store, \$79.75.

Cash Book. Debit Furniture and Fixtures.

— 2 —

Sold for cash,

5 lb. Creamery Butter,	.25	1.25	
2 cans Peaches,		.25	
1 bbl. Winter Apples,		3.95	5.45

Cash Book.

— 3 —

Sold for cash,

1 box No. 1 Oranges,		2.75	
$\frac{1}{2}$ doz. Canned Peaches,	1.42	.71	
2 bu. White Potatoes,	1.35	2.70	
$\frac{1}{2}$ bbl. Sweet Potatoes,	3.15	1.58	7.74

Cash Book.

— 3 —

Sold to Windsor Hotel, Wilkes-Barre, Pa., on account,

2 bbl. Sweet Potatoes,	3.15	6.30
4 doz. Canned Peaches,	1.42	5.68
6 " " Tomatoes,	1.30	7.80
6 " " Peas,	1.50	9.00
2 bbl. Winter Apples,	3.95	7.90
250 lb. Buckwheat Flour,	2.50	6.25 42.93

Envelope System. (See Art. 13.)

— 4 —

Sold to George Carpenter, 410 W. Lackawanna Ave., on account,

1 bbl. Winter Apples, 3.95

Envelope System.

— 4 —

Bought from Darrah & Dalton, on account,

20 bbl. L. S. Flour, 3.75 75.00

Journal. Credit Darrah & Dalton.

— 5 —

Sold for cash,

5 gal. Vinegar,	.22	1.10
100 lb. Buckwheat Flour,	2.50	
1 bbl. L. S. Flour,	4.55	8.15

Cash Book.

— 5 —

Received from Buckingham Creamery Co., Dalton, Pa., for sale on commission, Consignment No. 1, as follows:

20 boxes Cream Cheese, 654 lb.  
5 tubs Creamery Butter, 428 lb.

Journal. (See Art. 5.)

— 5 —

Paid freight on the above goods, \$2.27.

Cash Book. Charge to above consignment.

## — 7 —

Sold to J. T. Hamlin, 18 Spruce St., Wilkes-Barre, Pa., on account, from Consignment No. 1 from Buckingham Creamery Co.,

10 boxes Cream Cheese, 325 lb.,	.22	71.50	
5 tubs Creamery Butter, 428 lb.,	.25	107.00	178.50

Two entries: Debit Hamlin on Envelope and credit Consignment in Journal.

## — 8 —

Delivered to James Early, 1021 Clay Ave., for private use,

5 bu. White Potatoes,	1.35	6.75	
1 bbl. Winter Apples,		3.95	
5 lb. Cream Cheese,	.22	1.10	
5 " Creamery Butter,	.25	1.25	13.05

Envelope System.

## — 9 —

Sold to John Hall, 202 Monroe Ave., on account,

2 bu. White Potatoes,	1.35	2.70	
2 cans Peas,	.15	.30	
1 " Tomatoes,		.12	
1 " Peaches,		.13	
25 lb. Buckwheat Flour,	2.50	.63	3.88

Envelope System.

## — 10 —

Darrah & Dalton make sight draft on us for their bill of March 1, which we pay, \$71.00.

Cash Book. (See Art. 7.)

## — 11 —

Sold to Windsor Hotel, on account,

1 tub Creamery Butter, 45 lb.,	.25	11.25	
--------------------------------	-----	-------	--

Envelope System.

## — 11 —

Received cash from J. T. Hamlin for bill of March 7, \$178.50.

Cash Book and Envelope System.

— 12 —

Sold to James Gage, 20 Pine St., on account, from Consignment No. 1 from Buckingham Creamery Co.,

10 boxes Cream Cheese, 329 lb., .22      72.38

Two entries: Debit Gage on Envelope and credit Consignment in Journal.

— 12 —

Render Account Sales to Buckingham Creamery Co., for Consignment No. 1, as follows:

20 boxes Cream Cheese, 654 lb.,	.22	143.88	
5 tubs Creamery Butter, 428 lb.,	.25	107.00	250.88
Charges: Freight,		2.27	
Storage,		.95	
Insurance,		1.00	
Commission,		12.55	16.77
Net proceeds,			<u>234.11</u>

Debit Consignment and credit Storage, Insurance, and Commission in Journal. Consignment has already been charged for the freight.

— 12 —

Paid Buckingham Creamery Co., in settlement of Consignment No. 1, as per Account Sales rendered, \$234.11.

Cash Book. Debit Consignment.

— 12 —

Sold for cash,

1 box No. 1 Oranges,	2.75	
1 doz. Baked Beans,	1.50	
½ doz. Canned Soups,	1.00	
1 bbl. Graham Flour,	4.25	9.50

Cash Book.

— 14 —

Bought from W. A. Marshall, on account,

5 sacks Shell Oysters, 2.65      13.25

Journal.

— 15 —

Received cash from James Gage, for bill of March 12,  
\$72.38.

Cash Book.

Envelope System.

— 15 —

Sold for cash,

$\frac{1}{2}$ bbl. Sweet Potatoes,	1.58	
$\frac{1}{2}$ " Winter Apples,	1.98	
5 cans Peaches,	.65	4.21

Cash Book.

— 16 —

Sold to Joseph Evans, 139 10th St., on account,

1 box No. 2 Oranges,	2.25	
1 doz. Canned Peaches,	1.42	
$\frac{1}{2}$ " " Baked Beans,	.75	
$\frac{1}{2}$ " " Soups,	1.00	5.42

Envelope System.

— 16 —

Sold to E. A. Alpaugh, 49 Marion St., on account,

1 bu. White Potatoes,	1.35	
50 lb. Buckwheat Flour,	1.25	
1 bbl. L. S. Flour,	4.55	7.15

Envelope System.

— 16 —

Made Shipment No. 1, to A. H. Clark, Stroudsburg, Pa.,  
of the following goods to be sold on commission,

10 bbl. L. S. Flour,	3.75	37.50
----------------------	------	-------

Debit Shipment in Journal. (See Art. 4.)

— 17 —

Sold to George Carpenter, on account,

5 gal. Vinegar,	.22	1.10
1 box No. 2 Oranges,		2.25
50 lb. Corn Meal,	2.28	1.14
10 " Cream Cheese,	.22	2.20
5 " Creamery Butter,	.25	1.25 7.94

Envelope System.

— 17 —

Paid Brown Bros. in full for their invoice of March 1,  
\$128.50.

Cash Book.

— 17 —

Delivered to George L. Walters, 96 Monroe Ave., for private use,

10 lb. Cream Cheese,	.22	2.20	
2 " Creamery Butter,	.25	.50	
5 bu. White Potatoes,	1.35	6.75	9.45

Envelope System.

— 18 —

Received from Windsor Hotel, cash on account, \$30.00.

Cash Book.

Envelope System.

— 18 —

Received from Buckingham Creamery Co., for sale on commission, Consignment No. 2, as follows:

10 boxes Cream Cheese,	341 lb.
5 tubs Creamery Butter,	215 lb.

Journal.

— 18 —

Paid freight on above consignment, \$3.15.

Cash Book. Charge to consignment

— 18 —

Delivered to James Early, for private use,

1 gal. Vinegar,	.22	
2 cans Peas,	.15	.30
1 " Peaches,	.13	
2 " Tomatoes,	.12	.24
5 lb. Creamery Butter,	.25	1.25 2.14

Envelope System.



— 19 —

Sold to John Hall, on account,

25 lb. Buckwheat Flour,	2.50	.63	
1 bu. White Potatoes,		1.35	1.98

Envelope System.

— 19 —

Sold for cash,

1 bbl. L. S. Flour,	4.55		
1 sack Oysters,	3.15		
100 lb. Corn Meal,	2.28	9.98	

Cash Book.

— 19 —

Sold to J. T. Hamlin, on account, from Consignment  
No. 2 from Buckingham Creamery Co.,

5 boxes Cream Cheese, 171 lb.,	.22	37.62	
3 tubs Creamery Butter, 107 lb.,	.25	26.75	64.37

Envelope System.

Credit Consignment in Journal.

— 21 —

Sold for cash,

1 box No. 2 Oranges,	2.25		
10 lb. Creamery Butter,	.25	2.50	4.75

Cash Book.

— 21 —

Bought from Darrah & Dalton, on account,

1250 lb. Buckwheat Flour,	2.20	27.50
---------------------------	------	-------

Journal.

— 21 —

Received from E. A. Alpaugh, cash for bill of 16th, \$7.15.

Cash Book.

Envelope System.

— 21 —

Received cash from George Carpenter, on account, \$5.00.

Cash Book.

Envelope System.

— 22 —

Sold to E. A. Alpaugh, on account,

1 sack Shell Oysters,	3.15		
2 bu. White Potatoes,	1.35	2.70	5.85

Envelope System.

— 22 —

Bought from Brown Bros., on account,

1 case Fancy Cheese, 2 doz.,	1.80	3.60	
6 boxes No. 1 Oranges,	2.00	12.00	
3 boxes No. 2 Oranges,	1.75	5.25	20.85

Journal.

— 23 —

Received from Windsor Hotel, balance due, \$24.18.

Cash Book.

Envelope System.

— 24 —

Sold to Joseph Evans, on account,

3 cans Tomatoes,	.12	.36	
1 " Peas,		.15	
2 " Peaches,		.25	
2 gal. Vinegar,	.22	.44	
$\frac{1}{4}$ bu. White Potatoes,		.68	1.88

Envelope System.

— 24 —

Bought from W. A. Marshall, on account,

5 bbl. Sweet Potatoes,	2.30	11.50	
10 " Winter Apples,	3.15	31.50	
2 tubs Creamery Butter, 87 lb.,	.20	17.40	
15 bu. White Potatoes,	1.10	16.50	76.90

Journal.

— 24 —

Make sight draft on J. T. Hamlin for bill of March 19,  
\$64.37.

Cash Book.

Envelope System.

— 25 —

Received Account Sales from Shipment No. 1, to A. H. Clark, as follows:

10 bbl. L. S. Flour,	4.55	45.50
----------------------	------	-------

Charges: Freight,	2.97	
-------------------	------	--

Storage,	1.10	
----------	------	--

Commission,	2.27	6.34
-------------	------	------

Net proceeds,		<u>39.16</u>
---------------	--	--------------

Journal. Debit Freight, Storage, and Commission for above amounts and A. H. Clark for amount of net proceeds. Credit Shipment for total sales, \$45.50.

— 25 —

Received from A. H. Clark, check to cover net proceeds as above, \$39.16.

Cash Book.

— 25 —

Sold to John Hall, on account,

2 bu. White Potatoes,	1.35	2.70
-----------------------	------	------

5 gal. Vinegar,	.22	1.10
-----------------	-----	------

25 lb. Buckwheat Flour,	2.50	.63	4.43
-------------------------	------	-----	------

Envelope System.

— 25 —

Bought from W. A. Marshall, on account,

2 tubs Creamery Butter, 150 lb.	.20	30.00
---------------------------------	-----	-------

10 bu. White Beans,	1.42	14.20
---------------------	------	-------

35 " White Potatoes,	1.10	38.50	82.70
----------------------	------	-------	-------

Journal.

— 25 —

Sold to Joseph Evans, on account,

2 jars Fancy Cheese,	.25	.50
----------------------	-----	-----

2 cans Peas,	.15	.30
--------------	-----	-----

3 " Peaches,	.13	.39
--------------	-----	-----

25 lb. Corn Meal,	2.28	.57	1.76
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Envelope System.

— 27 —

Sold to E. A. Alpaugh, on account,  
     1 bbl. Winter Apples,     3.95  
     1 " Sweet Potatoes,     3.15   7.10  
 Envelope System.

— 27 —

Paid W. A. Marshall, on account, \$100.00.  
 Cash Book.

— 28 —

Made Shipment No. 1, to English & Co., Binghamton,  
 N. Y., of the following goods to be sold on commission:

20 bbl. Winter Apples,	3.15	63.00	
50 bu. White Potatoes,	1.05	52.50	115.50

Journal. Debit Shipment.

— 29 —

Sent Darrah & Dalton check for balance due to date, \$102.50.  
 Cash Book.

— 30 —

Paid freight bills for the month, \$19.00.  
 Cash Book. Debit Freight.

— 30 —

Paid clerks' salaries for the month, \$75.00.  
 Cash Book. Debit Expense.

— 31 —

Balance and rule Cash Book.

Rule date lines in Journal.

Post from the Journal and Cash Book to the Ledger, and  
 rule each account when it balances.

Draw off a Statement of the Face of the Ledger.

Draw off a list of the Accounts Receivable, Envelope System.

Take an inventory.

Make out a Statement of the Business.

Charge each partner with one-half of the net loss by  
 making an entry for same in the Journal and post it to their  
 accounts in the Ledger. Balance and rule their accounts,  
 and bring down the balance as a new Present Worth.

Balance in red ink and rule Shipment No. 1 to A. H. Clark, Consignment No. 1 of Buckingham Creamery Co., and Rent, Storage, Commission, Freight, and Expense accounts.

Enter in red ink on the credit side of Shipment No. 1 to English & Co., Insurance, and Furniture and Fixtures accounts, inventories of those accounts, then balance and rule in red ink and bring down the inventories, in black ink, on the opposite side of the account as amounts on hand to begin the next business period.

# INVENTORIES

## *Merchandise*

ARTICLE	QUANTITY	COST	TOTAL
Apples, Winter,	3 bbl.	3.15	9.45
Beans, White,	10 bu.	1.42	14.20
Buckwheat Flour,	1400 lb.	2.20	30.80
Canned Baked Beans,	4½ doz.	.90	4.05
"    Peas,	1½ " "	1.08*	1.53
Canned Peaches,	5½ " "	1.20	6.40
"    Soups,	2 " "	1.50	3.00
"    Tomatoes,	1½ " "	1.10	1.65
Cheese, Cream,	305 lb.	.15	45.75
"    Fancy,	1½ doz.	1.80	3.30
Creamery Butter,	257 lb.	.20	51.40
Corn Meal,	325 lb.	1.85	6.01
Flour, Graham,	2 bbl.	3.50	7.00
"    L. S.	17 " "	3.75	63.75
Oysters, Shell,	3 sacks	2.65	7.95
Oranges, No. 1,	6 boxes	2.00	12.00
"    No. 2,	4 " "	1.75	7.00
Potatoes, Sweet,	11 bbl.	2.30	25.30
"    White,	79½ bu.	1.10	87.45
Vinegar,	24 gal.	.12	2.88
			390.87

## *Insurance*

½ amount paid, 18.34

## *Furniture and Fixtures*

Furniture and Fixtures on hand, 75.00

\*Less than cost.

## CASH BOOK

2

Cash

1882			
Mar	1 Cash invested,		4000 —
	1 Cash sales,	418	
	2 " "	545	
	3 " "	774	
	5 " "	815	
	11 J. P. Franklin, for bill of 7th,		178 50
	12 Cash sales,	950	
	15 J. James Jager, for bill of 12th,		72 38
	1 Cash sales,	421	
	18 Windsor Hotel, on account,		30 —
	19 Cash sales,	298	
	21 " "	475	
	1 E. P. Phipps, for bill of 16th,		715
	1 Geo. Carpenter, on account,		5 —
	1 Windsor Hotel, in full,		2418
	23 J. P. Franklin, for bill of 9th,		64 97
	25 H. H. Martinet & Co, for ship No.,		39 16
	1 Total cash sales,		53 96
			4474 70
Apr	Balance,		3559 42

Cash

2

Mar.	14	Rent, paid in advance,	50 —
	28	Insurance, premium on policy,	20 —
	15	Furniture & fixtures, for store,	79.75
	5	Consignment Hox. B. C. Co., freight,	2.27
	16	Dassah & Dalton, paid sight draft,	71 —
	12	Consignment Hox. B. C. Co., net proceeds	234.11
	17	Brown Bros., paid invoice of ret.	125.50
	18	Consignment Hox. B. C. Co., freight	3.15
	27	W. Marshall, paid on account,	100 —
	29	Dassah & Dalton, paid in full,	102.50
	30	Freight bill for month,	19 —
	16	Expenses, clerk's salaries for month,	75 —
		Balance,	3,374.25
			4,474.70





2

March 12, 190

6	Consignment No. 1, Buck Cream Co. Co.		72.35
	Sold James E. Gage, 20 pails		
	10 boxes Cream Cheese, 12 lbs, 22		
	12		
6	Consignment No. 1, Buck Cream Co. Co.	14.50	
	Charged: Storage	.95	
	Insurance	1.00	
	Commission, 12.50		
	12		
7	Storage	Co.	.95
8	Insurance	"	1.00
9	Commissions	"	12.50
	As per Post Sales, Con. No. 1		
	14		
5	H. A. Marshall	Co.	132.50
	By invoice #5		
	16		
10	Shipment No. 1, sold H. A. Marshall, By, Co.	37.50	
	10 bbl. L. S. House	3.75	
	16		
11	Consignment No. 2, Buck Cream Co. Co.		
	10 boxes Cream Cheese, 34 lbs.		
	10 lbs Creamery Butter, 21.5 lbs.		
	Received by us to sell for		
	their account		
	12		
11	Consignment No. 2, Buck Cream Co. Co.		64.37
	Sold to J. T. Franklin		
	10 boxes Cream Cheese, 17 lbs, 22, 37.62		
	10 lbs Creamery Butter, 21.5 lbs, 26.75		
	21		
3	L. A. Dalton	Co.	27.50
	By invoice #6		
	22		
4	Brown Bros.	Co.	25.85
	By invoice #7		
	24		
5	H. A. Marshall	Co.	76.90
	By invoice #8		



LEDGER

**1**

*James Early, Stock Account*

1901	Mar 31	Loss	3	46.45	1901	Mar 1	1	2000	—
		<i>Bus Worth</i>		1953.52					
				2000				2000	—
						Apr 1	<i>Bus Worth</i>	1953.52	

**2**

*George L. Walters, Stock Account*

1901	Mar 31	Loss	3	46.45	1901	Mar 1	1	2000	—
		<i>Bus Worth</i>		1953.52					
				2000				2000	—
						Apr 1	<i>Bus Worth</i>	1953.52	

**3**

*Darrah & Dalton, Main St.*

1901	Mar 10		2	71	1901	Mar 1	1	71	—
	29			102.50		4		75	—
						2		27.50	
				173.50				173.50	

4

*Brown Bros., 113 Fulton St., N.Y.*

1911			1912		
Mar 17	2	125.50	Mar 1	1	125.50
			22	2	20.85

5

*W. A. Marshall, 47 Vine St., Phila.*

1911			1912		
Mar 27	2	100 —	Mar 1	1	141 —
			14	2	132.5
			24		76.95
			25	3	62.75

6

*Consignment No. 1, Buckingham Creamery Co.,  
Baltimore, Pa.*

1911			1912		
Mar 5	shoes with butter		Mar 7	shoes with butter	
12	shoes with butter	2	14.50	shoes with butter	175.50
5		2	2.27	12 shoes with butter	73.35
12			234.11		
			250.55		250.55

[illegible]

1901		1902			
Insurance.					
Mar 2	2	20 -	Mar 12	2	1 -
			10 Insts		10.24
			Balance		20
		20 -			20 -
Apr 1 Insts		10.24			

[illegible]



Shipment No. 1, to English & Co.		13
190	190	190
Mar 28 200 lbs United Apple	Mar 31 100 lbs	115.50
only White Potatoes 3		
Apr. 1 100 lbs		115.50

[illegible][illegible]

Expense.

[illegible]

G. H. Clark.

[illegible]







# Statement of Business March 31, 190

Resources:					
Cash on hand,		3,559.42			
Merchandise, inventory,		390.57			
Insurance, "		15.34			
Furniture & fixtures, "		75.00			
Shipment No. 1, to English Co., invt.,		115.50			
Account's Receivable, to English Co.,		63.53	4252.96		
Liabilities:					
Account's Payable, Ledger,		254.70			
Consignment No. 2, B. Co.,		61.22	1952.92		
Present Worth:			3907.04		
Early & Walters, Proprietors:					
Present Worth, March 1, 190,		4500.00			
" " " 31, "		3907.04			
Net loss, " 31, "		592.96			
James E. Early, Stock Account:					
Investment,		2000.00			
1/2 Net loss,		296.48			
Present Worth:			1952.52		
George L. Walters, Stock Account:					
Investment,		2000.00			
1/2 Net loss,		296.48			
Present Worth:			1952.52		
			3907.04		













# DOUBLE-ENTRY BOOKKEEPING

(PART 1)

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## PRINCIPLES OF BOOKKEEPING

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### PRELIMINARY REMARKS

**1. Introduction.**—It is the intention to give the student, in this and the following Sections, such a full and complete understanding of the theory and elements of double-entry bookkeeping as will enable him to keep, by this method, books for any ordinary kind of business. If the examples herein illustrated and explained are exactly and conscientiously followed, a valuable knowledge of business and bookkeeping will surely be acquired.

**2. Bookkeeping and Its Uses.**—Books of account are kept, in some manner, by every person doing business. This is done that they may know their resources and liabilities, and also the extent of their business and its receipts and expenditures.

**3. Bookkeeping** is the systematic recording of the facts that will show the standing of a business. A bookkeeper, or accountant, is a person that understands how to make such records and how to prepare the bills, checks, drafts, etc. necessary in mercantile transactions, and is acquainted with the manner in which such instruments are used.

**4. Methods of Keeping Books.**—There are two distinct methods of keeping books, called *single-entry bookkeeping* and *double-entry bookkeeping*.

*For notice of copyright, see page immediately following the title page*

All that is aimed at in **single-entry bookkeeping** is to enable one party to keep an account of his dealings with others, in order that he may know how much they owe him and how much he owes them, none but personal accounts being kept. An entry is made only when a personal account is affected, and the person is simply debited or credited, hence the term *single entry*.

In **double-entry bookkeeping** an account is kept with every class of property dealt in as well as with every person with whom business is done. A debit and credit entry is made for every transaction, thus making an entry to two or more accounts, according to the number affected by the transaction; that is to say, every time an account is debited, some other account or accounts must be credited for the same amount, hence the term *double entry*.

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#### RULE FOR DEBIT AND CREDIT

5. The two main principles of bookkeeping are expressed by the terms **debit** and **credit**. Both of these principles are used in every transaction in double-entry bookkeeping. The following rule should be thoroughly learned and committed to memory; if it is strictly followed, a mistake will never be made in a bookkeeping entry.

**Rule.—Debit:** *What you receive or what costs you value.*  
**Credit:** *What you part with or what produces you value.*

**When to debit—**

*Cash:* When you receive it.

*Merchandise:* When you receive it.

*Bills Receivable:* When you receive a note.

*Bills Receivable:* When you receive an accepted time draft.

*The Party:* When you trust any one.

*The Party:* When you pay any one.

*The Party:* When he draws a draft on you.

**When to credit—**

*Cash:* When you give it out.

*Merchandise:* When you sell it.

*Bills Payable:* When you give a note.

*Bills Payable:* When you accept a time draft.

*The Party:* When he pays you.

*The Party:* When he trusts you.

*The Party:* When you draw a draft on him.

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## MERCANTILE TERMS, ABBREVIATIONS, SIGNS, AND CHARACTERS

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### MERCANTILE TERMS

6. The list of **mercantile terms** here given is very complete, and a clear and comprehensive knowledge of them and their application will be found necessary to every student of commercial science.

**Accept.**—So to acknowledge, by signature, as to bind for payment.

**Acceptance.**—A draft or bill of exchange that has been accepted. This is usually done by the acceptor (drawee) writing his name across the face of the draft in red ink, together with the word "Accepted" and the date.

**Account.**—A formal statement of debits and credits.

**Account Books.**—Books made and used for keeping accounts.

**Account Current.**—An open or running account; an account for the present month, quarter, or other period of time.

**Account Sales.**—A detailed statement of the sale of goods by a commission merchant, showing also the expenses, after charges, and the net proceeds.

**Accrued.**—Accumulated, as interest due and unpaid.

**Acknowledgment.**—A formal admission made before a notary or other authorized person that the act described was voluntarily performed.

**Ad Valorem.**—According to value; a custom-house term relating to duties on imported goods.

**Advice.**—A notice of a bill drawn; information with reference to a shipment; any mercantile information.

**Affidavit.**—A written declaration made under oath.

**Agent.**—One who acts for another; a deputy.

**Agreement.**—Mutual assent; a contract.

**Allowance.**—A deduction from the gross weight of goods; an abatement.

**Annuity.**—A sum to be paid to another in fee, or for life, or for years.

**Antedate.**—To date before the actual time of writing.

**Appraise.**—To estimate the value of goods or property, as for the purpose of taxation, etc.

**Appurtenances.**—Those things that appertain or belong to something else, as the buildings and fences to the farm on which they stand.

**Articles.**—Divisions of a written or printed agreement, as articles of copartnership; things or commodities, as articles of merchandise.

**Assets.**—The funds, property, and total resources of a person in business.

**Assign.**—To transfer or make over to another, usually for the benefit of creditors.

**Assignee.**—The person to whom the affairs of an insolvent debtor are referred for adjustment, usually a trustee of the creditors.

**Assignment.**—The formal transfer of property to an assignee.

**Assignor.**—The one who assigns his property for the benefit of his creditors.

**Assume.**—To take upon oneself the risk or liabilities of another.

**Attachment.**—A legally executed claim on property; a warrant for the seizure of goods to satisfy debt.

**Auxiliary.**—(Helping.) Applied to such account books as are kept merely as aids to the principal books.

**Average.**—A proportional share of a general loss, usually applied to the loss of goods at sea; also, a mean time of payment for several debts due at different times.

**Balance.**—To close an account; difference between debits and credits.

**Balance of Trade.**—Difference between the exports and imports of a country.

**Balance Sheet.**—A statement in condensed form, showing the condition and progress of business.

**Bank.**—An institution, generally incorporated, authorized to receive deposits of money, to lend money, and to issue promissory notes—usually called bank notes—or to perform some one or more of these functions.

**Bank Balance.**—Net amount on deposit at bank.

**Bank Bills or Notes.**—Promissory notes printed by the government and issued by national banks, payable on demand, and used as money.

**Bank Book.**—The pass book of the depositor, in which the receiving teller writes the separate deposits. The book-keeper enters the paid checks at stated intervals.

**Bank of Deposit.**—A bank for the custody and employment of money entrusted to its care by its customers.

**Bank of Discount.**—A bank for the loaning of money on commercial paper and collateral securities.

**Bank of Issue.**—A bank that, besides employing or lending the money entrusted to it, is authorized to issue notes of its own.

**Bankrupt.**—One that fails in business and is unable to pay his debts.

**Bank Stock.**—Shares in a banking establishment.

**Bill.**—A detailed statement of goods bought or sold; a negotiable instrument.

**Bill Book.**—A book containing the particulars of notes issued and notes received.

**Bill of Exchange.**—An order for the payment of money, usually drawn on a person or a bank in another country, the term draft being used to designate bills that are payable in the same country in which they are drawn.

**Bill of Lading.**—A written acknowledgment by the representative of a common carrier that he has received the goods therein described, to be carried to a certain destination, on the terms stated, and delivered to the person specified or to the order of the shipper; it is both a receipt

and a contract; it may be negotiated for value, and then it becomes the absolute title to the goods.

**Bill of Sale.**—A writing given by the seller to the buyer, transferring the ownership of personal property.

**Bill Head.**—A printed form on which to render bills.

**Bills Payable.**—Notes and acceptances payable by us.

**Bills Receivable.**—Notes and acceptances of others payable to us.

**Blanks.**—Books and papers ruled to forms suitable for business purposes.

**Blotter.**—(The Day Book.) Book of original entry containing a history of transactions in the order of their occurrence.

**Book Account.**—An entry or charge in the books in contradistinction from a note or written promise.

**Breakage.**—An allowance on goods imported in bottles; compensation for things broken.

**Broker.**—An agent or middleman between the buyer and the seller.

**Brokerage.**—The percentage or commission charged by a broker for his services.

**Cancel.**—To annul; to destroy; to render void.

**Capital.**—Investment in business.

**Capital Stock.**—The joint or aggregate paid-in capital of the stockholders in corporate institutions.

**Cartage.**—The charges for conveying goods by carts or wagons.

**Cash.**—Coin, bank notes, checks, etc., that pass as money.

**Certificate.**—A written or printed testimony; as, a certificate of deposit, a certificate of stock.

**Certified Check.**—A check that has been acknowledged good by the bank on which it is drawn.

**Charges.**—The expenses incurred in handling goods, more especially those bought and sold on commission.

**Chattels.**—Movable things; personal property.

**Check.**—An order on a bank drawn by a depositor.

**Closing an Account.**—Making an entry to balance it.

**Closing Lines.**—The ruling lines drawn after an account is balanced and footed.

**Collaterals.**—Pledges of stock, notes, or chattels for security of loans and other indebtedness.

**Commission.**—A percentage allowed for buying or selling goods or for transacting other business.

**Commercial Paper.**—Notes, drafts, and other written orders for the payment of money used in trade.

**Consideration.**—The material cause that moves a party to enter into a contract; not the motive or moral cause, but the price or stipulated amount that may be expressed in money value.

**Consignee.**—The agent or person to whom goods are sent to be sold on commission. The goods are said to be *consigned*, and are called by the one who receives them a *consignment*.

**Consignor.**—The party who thus consigns his goods to an agent. The consignor calls such goods a *shipment* to distinguish them from other goods that he himself may have received to be sold on commission, and which he, in turn, calls a consignment.

**Contract.**—An agreement for a lawful consideration to do or not to do something possible and lawful to be done.

**Conveyance.**—A legal document transferring the ownership of land or other property from one person to another.

**Cooperage.**—Expenses paid for repairing casks, boxes, etc

**Date.**—A statement of the day of the month and year when a letter was written or a transaction effected.

**Days of Grace.**—The days allowed for the payment of a note or bill after the time specified has expired.

**Deed.**—A sealed instrument used in the conveyance of real estate; any legal instrument under seal.

**Demand.**—Asking by authority; a claim by right.

**Deposit.**—Money left in a bank subject to order.

**Discount.**—A deduction; the sum allowed for payment of a bill before due; the sum paid as interest in advance for money at a bank.

**Dishonor.**—Failure to pay when due; refusal to accept a draft.

**Dividend.**—Gain to be divided among the stockholders in a joint-stock company.

**Double Entry.**—A system of bookkeeping by which the debits and credits in any transaction are equal in amount.

**Draft.**—A written order or request for the payment of money at a certain time.

**Drawee.**—One on whom the draft is drawn; the payer.

**Drawer.**—The person who draws the draft, and thus asks the drawee to pay to the payee named.

**Drayage.**—Charges for hauling goods on drays or wagons.

**Due Bill.**—A brief written acknowledgment of debt, having the effect of a promissory note without time to run.

**Duplicate.**—A copy; a transcript of any document.

**Extend.**—In accounts, to add the items and carry the totals out into their proper columns.

**Face.**—The amount for which a bill is drawn.

**Facsimile.**—An exact copy.

**Favor.**—A polite term for a letter received. A bill or note is said to be drawn in favor of the one to whom it is made payable.

**Fixtures.**—That part of the furniture of a store or office which is not movable; as, the gas pipes, partitions, etc.

**Freight.**—Goods in transit; the price paid for transportation.

**Gain.**—Increase in wealth; profit.

**Good-Will.**—The reputation and patronage that pertains to an established business; also, the personal interest and influence of a withdrawing partner apart from that shown by his account.

**Gross Weight.**—Weight of goods including box and packing.

**Indorse.**—To guarantee; to write one's name on the back of a check or note.

**Indorsee.**—The person in whose favor a check is indorsed.

**Indorser.**—The person who indorses.

**Instant.**—Present; current; the present month. (Proximo, next month; ultimo, last month.)

**Insurance Policy.**—The instrument containing the contract between the insurance company and the party insured.



**Interest.**—The use of money; premium paid for the use of money; right or share in a business.

**Inventory.**—An itemized schedule or list of goods and other property, with their value as then estimated.

**Investment.**—The laying out of money in the purchase of property or goods.

**Invoice.**—A list of goods bought or sold, received from abroad, or about to be shipped.

**Invoice Book.**—A book in which invoices are copied or placed.

**Jobber.**—One who buys goods from manufacturers and importers, and sells them to retailers.

**Job Lot.**—An irregular assortment; miscellaneous goods unsold at the end of a season.

**Joint Stock.**—Property held in common by a company of men, each of whom is called a stockholder.

**Journal.**—A book in which the debits and credits of a transaction are arranged preparatory to posting.

**Judgment.**—The decree of a court enforcing a contract or redressing a wrong.

**Judgment Note.**—A promissory note in the usual form, coupled with a warrant of attorney authorizing the entry of judgment without the process of law in case of non-payment.

**Leakage.**—An allowance made for loss or waste on liquids transported in casks.

**Lease.**—A contract granting possession and use of property for a specified time.

**Ledger.**—A book of accounts, in which the results of business are arranged under suitable headings.

**Legal Tender.**—(Lawful offer.) The name given to such currency as the law declares shall be received in payment of all ordinary debts.

**Lessee.**—One to whom a lease is made.

**Letter of Advice.**—A letter containing a notice of a shipment, or of a bill drawn, or of some act in which the party receiving the advice has an interest.

**Letter of Attorney.**—Written authority to act for another.

**Letter of Credit.**—An open letter authorizing the bearer to receive money on the credit of the writer. (Generally issued by banking houses to travelers in foreign countries.)

**Liabilities.**—Debts owed by an individual or firm.

**Loss and Gain.**—The title of an account showing the profit and loss in business.

**Maker.**—The signer of a note.

**Mercantile Agency.**—A company whose business is to obtain and circulate among its patrons information as to the business standing of merchants and traders.

**Merchandise.**—The usual articles of trade. That which is bought to sell again, as distinguished from that which is bought to use.

**Money Order.**—An order on a third party requesting him to pay to the person named a certain sum.

**Mortgage.**—The pledge of land, goods, or chattels to secure the payment of a debt.

**Mortgagee.**—The person in whose favor the mortgage is given.

**Mortgagor.**—The person who gives a mortgage.

**National Bank.**—A banking institution established in the United States under an Act of Congress. National banks can issue their individual notes (engraved and furnished by the government) but only on the basis of United States bonds deposited with the treasurer of the United States as security for said notes in circulation, should any such bank fail in business.

**Negotiable.**—That which is transferable by delivery, assignment, or indorsement.

**Net.**—Clear of all charges and deductions.

**Net Loss.**—Excess of losses over gains.

**Net Proceeds.**—The remainder after deducting charges for sales.

**Net Weight.**—Weight after deducting all allowances.

**Nominal.**—Existing in name only.

**Obligation.**—Indebtedness; a bond with a consideration annexed, and a penalty for non-fulfilment.

**Open Account.**—An unsettled account with a firm or individual.

**Open Policy.**—An insurance policy intended to cover all goods shipped by a certain person (or received) within a certain specified time. Each separate risk is to be indorsed on the policy as it arises.

**Order.**—A request to pay or deliver certain money or goods.

**Order Book.**—The book in which requests for goods are entered.

**Overdraw.**—To draw for a sum greater than one's credit balance.

**Par.**—Equal in value; that is, the market value is equal to the face or nominal value without premium or discount.

**Partnership.**—Company; firm; union of two or more in business.

**Par Value.**—The nominal value; usually the printed or written value of any commercial paper.

**Pass Book.**—A book in which a trader enters articles sold on credit. It is carried by the purchaser and presented by him for record when the purchases are made.

**Payee.**—Person to whom money is paid.

**Payer.**—Person who pays.

**Per.**—A Latin preposition meaning through or by. Used in self-explaining compounds; as, per bushel, per day, per gross, etc.

**Per Annum.**—By the year.

**Per Cent.**—(Per centum.) By the hundred.

**Percentage.**—A part or portion expressed in hundredths.

**Per Diem.**—By the day.

**Personal Accounts.**—Accounts with persons—even artificial persons, as banks, corporations, etc.—as distinguished from accounts with property, etc.

**Personal Property.**—All property except real estate.

**Petty Cash Book.**—A memorandum book of small receipts and expenses.

**Postdate.**—(After date.) To date after the real time of writing.

**Posting.**—Transferring the entries from the Journal and other books to their proper accounts in the Ledger.

**Power of Attorney.**—A written instrument giving an agent authority to act for his principal in matters requiring such written delegation of power; such an agent is called an *Attorney-in-Fact*.

**Preferred Stock.**—Stock that is entitled to a stipulated dividend before any dividend can be declared on the ordinary or common stock.

**Premium.**—Excess above par; sum paid for insurance.

**Proceeds.**—The amount or value of anything converted into money.

**Promissory Note.**—A written promise to pay a certain sum of money at a specified time.

**Protecting a Draft.**—Accepting or paying a draft to prevent its being dishonored or protested.

**Protest.**—(1) A formal declaration made by a notary public that a note was not paid at maturity, or that a bill of exchange was not accepted when presented, or was not paid when due; (2) an official statement by the master of a vessel that the damage to ship or cargo was caused by stress of weather and not by negligence.

**Quotation.**—The published price of stocks, merchandise, freight rates, rates of exchange, etc.

**Real Estate.**—Land and such buildings and appurtenances as pass with the land in conveyance of sale.

**Receiver.**—A person appointed to take charge of the affairs of a corporation on its dissolution, and to distribute its property according to law.

**Remittance.**—Funds sent from one place to another.

**Renewal.**—(Of a note.) As giving a new note in exchange for a like note when due.

**Rent.**—Amount paid for the use of another's premises.

**Resources.**—Money, property, or that which can be converted into property; as, claims against other people, either on written or verbal promises.

**Savings Banks.**—Bank of deposit where interest is allowed on amounts deposited.

**Schedule.**—A list or inventory of goods or prices.

**Shipment.**—The putting of goods on board a vessel; the title of an account with goods sent away to be sold on commission.

**Sight Draft.**—A draft payable at sight; that is, on presentation to the drawee.

**Spot Cash.**—Immediate payment.

**Statement.**—A list of resources and liabilities; a report of an agent's transactions sent to his principal; a list showing the dates and amounts of the debits and credits of a Ledger account for a month, quarter, or other period of time.

**Stockholder.**—One who owns shares in a joint-stock company or corporation.

**Stocks.**—Shares in joint-stock companies and corporations.

**Storage.**—Charges for the use of a warehouse.

**Suspense Account.**—An account employed to contain balances of personal accounts that may be considered doubtful.

**Tare.**—A deduction for the weight of boxes, crates, or barrels.

**Terms.**—The conditions of a sale as to time and kind of payment.

**Terms Cash.**—Generally understood to mean that goods are to be paid for as soon as they have been received and inspected.

**Time Draft.**—A draft maturing at a future specified time.

**Trade Discount.**—A discount or series of discounts from list prices, made to dealers or because of a change in prices.

**Value Received.**—A phrase of formality used in notes to indicate that a consideration has been given.

**Voucher.**—Such papers or documents as prove the truth of accounts; thus, a receipt is a voucher for the payment of money.

**Way Bill.**—A document containing a list of goods sent by railroad.

**Wholesale.**—(To sell whole.) To sell goods in large quantities, usually in unbroken packages.

## COMMERCIAL ABBREVIATIONS

7. The following commercial abbreviations should be carefully studied, for their use is common.

A 1. . . . .	First Class	Co. . . . .	Company; County
A. or ans. . . . .	Answer	C. O. D. . . . .	Cash (or Collect) on Delivery
acct. . . . .	Account	Coll. . . . .	Collector
acct. cur. . . . .	Account Current	Colo. . . . .	Colorado
acct. sales . . . . .	Account Sales	Com. . . . .	Commission; Commerce; Committee
A. D. . . . .	In the Year of Our Lord	Com'l. . . . .	Commercial
ad. . . . .	Advertisement	Conn. . . . .	Connecticut
Agt. . . . .	Agent	Cons'd. . . . .	Consigned
Ala. . . . .	Alabama	Cons't. . . . .	Consignment
Alas. . . . .	Alaska Territory	Cr. . . . .	Credit; Creditor
Alb. . . . .	Alberta Territory	C. S. B. . . . .	Commission Sales Book
A. M. . . . .	Before Noon; Master of Arts;	ctg. . . . .	Cartage
	In the Year of the World	cwt. . . . .	Hundredweight
Am. or Amer. . . . .	American; America	D. B. . . . .	Day Book
amt. . . . .	Amount	D. C. . . . .	District of Columbia
Apr. . . . .	April	Dec. . . . .	December
art. . . . .	Article	Dep. . . . .	Deposit; Deputy
Ariz. . . . .	Arizona Territory	Del. . . . .	Delaware
Ark. . . . .	Arkansas	Dep't. . . . .	Department; Deponent
ass'd or as'd. . . . .	Assorted	Deg. . . . .	Degree
Assin. . . . .	Assiniboia Territory	dft. . . . .	Draft; Defendant
ass'md. . . . .	Assumed	Disc't. . . . .	Discount
Ass't. . . . .	Assistant	div. . . . .	Dividend
Atty. . . . .	Attorney	do. or ditto . . . . .	The Same
Aug. . . . .	August	Dr. . . . .	Doctor; Debtor
bal. . . . .	Balance	ds. . . . .	Days
bbl. . . . .	Barrel	Ea. or ea. . . . .	Each
B. B. . . . .	Bill Book; Bank Book	Ed. . . . .	Editor; Edition
B. C. . . . .	British Columbia	E. E. . . . .	Errors Excepted
bdis. . . . .	Bundles	E. & O. E. . . . .	Errors and Omissions Excepted
b. of e. . . . .	Bill of Exchange	e. g. . . . .	For Example
bgs. . . . .	Bags	Ent. . . . .	Entry
bk. . . . .	Bank or Book	Ent'd. . . . .	Entered
bkts. . . . .	Baskets	et al. . . . .	And Others
b. of l. . . . .	Bill of Lading	etc. or &c. . . . .	And Others; And So Forth
bis. . . . .	Bales	Exch. . . . .	Exchange
bot. . . . .	Bought	ex. . . . .	Express
B. Pay. . . . .	Bills Payable	exp. . . . .	Export; Exporter; Expense
bro't. . . . .	Brought	Feb. . . . .	February
B. Rec. . . . .	Bills Receivable	fig'd. . . . .	Figured
B. Ren'd. . . . .	Bill Rendered	Fla. . . . .	Florida
bu. or bush. . . . .	Bushel	f. o. b. . . . .	Free on Board
bxs. . . . .	Boxes	fo'd. or f'd. . . . .	Forward
Cal. . . . .	California; Calendar	Frl. . . . .	Friday
C. B. . . . .	Cash Book	Frt. . . . .	Freight
c. or cts. . . . .	Cents	Ft. . . . .	Fort
chgs. . . . .	Charges	ft. . . . .	Foot; Feet
chts. . . . .	Chests	Ga. . . . .	Georgia
c. i. f. . . . .	Cost, Insurance, and Freight	gal. . . . .	Gallon
ck. . . . .	Check		
cks. . . . .	Casks; Checks		

## COMMERCIAL ABBREVIATIONS—(Continued)

G. O. . . . .	General Order	mfr. . . . .	Manufacturer
gr. or gro. . . . .	Gross	Mich. . . . .	Michigan
Hawaii . . . . .	Hawaii Territory	Minn. . . . .	Minnesota
hdkf. . . . .	Handkerchief	Miss. . . . .	Mississippi
hhd. . . . .	Hogshead	Mme. . . . .	Madam
Ia. . . . .	Iowa	Mmes. . . . .	Mesdames
I. B. . . . .	Invoice Book	Mo. . . . .	Missouri
Id. . . . .	The Same	Mo. or mo. . . . .	Month
Ill. . . . .	Illinois	Mols. . . . .	Molasses
in. . . . .	Inch; Inches	Mon. . . . .	Monday
incor. . . . .	Incorporated	Mont. . . . .	Montana
Ind. . . . .	Indiana; India; Indian; Index;	Mr. . . . .	Master; Mister
Indorse		Mrs. . . . .	Mistress; Missis
Ind. T. . . . .	Indian Territory	Mtg. . . . .	Mortgage
Ins. . . . .	Insurance	MS. . . . .	Manuscript
Inst. . . . .	Instant (this month)	Mut. . . . .	Mutual
int. . . . .	Interest	N. A. . . . .	New Account; North America
inv. . . . .	Invoice	Nat. or Nat'l . . . . .	National
inv't. . . . .	Inventory	N. B. . . . .	Take Notice; New Brunswick
I. O. U. . . . .	I owe you (an acknowledg-	N. C. . . . .	North Carolina; Net Capital
ment of indebtedness)		N. Dak. . . . .	North Dakota
J. . . . .	Judge; Justice	N. E. . . . .	New England
J. or jour. . . . .	Journal	Nebr. . . . .	Nebraska
Jan. . . . .	January	Nev. . . . .	Nevada
J. D. B. . . . .	Journal Day Book	N. F. . . . .	Newfoundland
J. F. . . . .	Journal Folio	N. H. . . . .	New Hampshire
J. P. . . . .	Justice of the Peace; Journal	N. J. . . . .	New Jersey
Page		N. L. . . . .	Net Loss
Jun. . . . .	June	N. Mex. . . . .	New Mexico Territory
Jul. . . . .	July	No. . . . .	Number
Kans. . . . .	Kansas	Nov. . . . .	November
Ky. . . . .	Kentucky	N. P. . . . .	Notary Public; Net Proceeds
L. . . . .	Ledger; Latin; Fifty	N. S. . . . .	Nova Scotia
lb. . . . .	Pound	N. Y. . . . .	New York
La. . . . .	Louisiana	N. W. T. . . . .	Northwest Territories
lab. . . . .	Labor	O. . . . .	Old; Ohio
L. B. . . . .	Letter Book	O. A. . . . .	Old Account
L. F. . . . .	Ledger Folio	O. B. . . . .	Order Book
L. P. . . . .	Ledger Page	Oct. . . . .	October
L. T. . . . .	Ledger Title	O. K. . . . .	All Correct (Oil Korrekt)
Man. . . . .	Manitoba	Okla. . . . .	Oklahoma Territory
man'f. . . . .	Manufacture; Manufactory	O. I. B. . . . .	Outward Invoice Book
Mar. . . . .	Maritime	Ont. . . . .	Ontario
Mch. . . . .	March	Ore. . . . .	Oregon
Mass. . . . .	Massachusetts	p. . . . .	Page
M. C. . . . .	Member of Congress	pp. . . . .	Pages
Md. . . . .	Maryland	Pa. . . . .	Pennsylvania
mdse. . . . .	Merchandise	pay't or pm't. . . . .	Payment
Me. . . . .	Maine	P. B. . . . .	Pass Book
Mem. . . . .	Memorandum	P. C. B. . . . .	Petty Cash Book
Messrs. or MM. . . . .	Gentlemen; Sirs	pce. or pc. . . . .	Piece
Mem. B. . . . .	Memorandum Book	pd. . . . .	Paid
Mex. . . . .	Mexico	per an. . . . .	By the Year
mf. . . . .	Manufactured	P. E. I. . . . .	Prince Edward Island
mfg. . . . .	Manufacturing	P. I. . . . .	Philippine Islands
Mfst. . . . .	Manifest	pk. . . . .	Peck

## COMMERCIAL ABBREVIATIONS—(Continued)

pkg. . . . .	Package	Supt. . . . .	Superintendent
P. M. . . . .	Postmaster; After Noon	sq. . . . .	Square
P. N. . . . .	Postal Note	T. B. . . . .	Time Book; Trial Balance
P. O. D. . . . .	Pay on Delivery	Tenn. . . . .	Tennessee
P. O. O. . . . .	Post-Office Order	Ter. . . . .	Territory
pop. . . . .	Population	Thurs. . . . .	Thursday
P. R. . . . .	Porto Rico	Tex. . . . .	Texas
Prem. . . . .	Premium	Treas. . . . .	Treasurer
Pro. . . . .	Proceeds	trans. . . . .	Transaction; Translation
prop'r. . . . .	Proprietor	Tu. or Tues. . . . .	Tuesday
prox. . . . .	Next Month	ult. or ulto. . . . .	Last Month
P. S. . . . .	Postscript	U. S. . . . .	United States
pub. . . . .	Publisher	U. S. A. . . . .	United States of America, United States Army
Qr. or qr. . . . .	Quarter; Quire	U. S. M. . . . .	United States Mail
Qt. or qt. . . . .	Quart; Quantity	U. S. N. . . . .	United States Navy
Que. . . . .	Quebec	Va. . . . .	Virginia
Rec. . . . .	Recorder; Recipe	via . . . . .	By way of
rec'd. . . . .	Received	Vice-Pres. . . . .	Vice-President
ret'd. . . . .	Returned	Viz. or viz. . . . .	Namely; To Wit
R. I. . . . .	Rhode Island	vol. . . . .	Volume
Reg. . . . .	Register	vs. . . . .	Against
R. R. . . . .	Railroad	Vt. . . . .	Vermont
Ry. . . . .	Railway	Wash. . . . .	Washington
Sask. . . . .	Saskatchewan Territory	W. B. . . . .	Way Bill
Sat. . . . .	Saturday	Wed. . . . .	Wednesday
S. B. . . . .	Sales Book	Wk. . . . .	Week
S. C. . . . .	South Carolina; Small Capitals	Wis. . . . .	Wisconsin
S. Dak. . . . .	South Dakota	Wt. or wt. . . . .	Weight
S. E. . . . .	Single Entry; Southeast	W. Va. . . . .	West Virginia
sec. . . . .	Section; Secretary	Wy. . . . .	Wyoming
Sep. or Sept. . . . .	September	X . . . . .	Extra; Ten
Shipt. . . . .	Shipment	XL . . . . .	Excel; Forty
Shs. . . . .	Shares	XX, XXX . . . . .	Double Extra, etc.
Sig. . . . .	Signature	Xmas. . . . .	Christmas
S. S. . . . .	Steamship	y. or yr. . . . .	Year
St. dft. . . . .	Sight Draft	Yd. or yds. . . . .	Yards
Stor. . . . .	Storage		
Sun. or Sund. . . . .	Sunday; Sundries		

## SIGNS AND CHARACTERS

8. The following signs and characters are in daily use and should be thoroughly learned:

@ . . . .	To or At	D/s . . . .	Days After Sight
% . . . .	Account Current	F/B . . . .	Free on Board
B/L . . . .	Bill of Lading	J/A . . . .	Joint Account
B/R . . . .	Bill Rendered	L/c . . . .	Letter of Credit
B/S . . . .	Bill of Sale	L/M . . . .	Letters of Marque
¢ . . . .	Cents	£ . . . .	Pounds Sterling
‰ . . . .	Care of	% . . . .	On Account of Custom
D/I . . . .	Days After Date	℥ . . . .	Out of Courtesy



## SIGNS AND CHARACTERS—(Continued)

% . . . Per Cent.	" . . . Seconds; Inches; also used for Ditto Marks
℥ . . . Per	1 <sup>1</sup> . . . One and one-fourth
\$ . . . Dollars	1 <sup>2</sup> . . . One and one-half
✓ . . . Check-Mark; Radical Sign	1 <sup>3</sup> . . . One and three-fourths
# . . . Means Number if written before a figure, as #40; but Pounds if written after, as 40 #	+ . . . (Plus.) Addition
" . . . (Ditto.) The Same as Above	- . . . (Minus.) Subtraction
° . . . Degrees	× . . . (By or times.) Multiplica- tion
' . . . Primes; Minutes; Feet	÷ . . . (Divided by.) Division
	= . . . (Equality.) Equals

## BUSINESS FORMS AND METHODS

9. A deposit slip, or deposit ticket, is a paper especially prepared and furnished by the banks, so that each depositor may fill out and present, with his Pass Book, a statement of the different items for deposit, such as gold, silver, checks, notes, drafts, etc. If the banker finds the items correct in all respects, he will place their sum to the depositor's credit in his Pass Book and on the books of the bank. Whenever a deposit of currency (gold, silver, or paper money) is to be made, the deposit slip is filled out as shown in Fig. 1.

If checks only are to be deposited, the deposit slip is filled out as shown in Fig. 2. If both currency and checks are to be deposited, the slip is filled out with each in its proper place and the amounts added.

10. **Signature Card.**—When an account is first opened at a bank, the depositor will be asked to sign a **Signature Book**, or **Card**, as shown in Fig. 3. This book or card is used by the bank to keep a record of the address and signature of each of its depositors. In signing the book, the depositor writes his full name, his address, and his signature as he habitually writes it. The style of signature should never be changed, and all business papers should be signed exactly as the signature is written in the signature book or on the card.

11. **Pass Book.**—On opening an account with a bank, the depositor is given a **Pass Book**, the two-page form of

DEPOSITED BY		IN THE	
<i>Warren C. Smith</i>		<i>April 11, 190</i>	
International			
Correspondence Schools Bank.			
Scranton, Pa.,			
		DOLLARS	CENTS
NOTES		2000	—
do 1's and 2's		9	—
GOLD		40	—
SILVER			90
CHECKS: (In Deposits, enter the bank's name and the amount in full.)		2049	90

Fig. 1

DEPOSITED BY		IN THE	
<i>Warren C. Smith</i>		<i>April 11, 190</i>	
International			
Correspondence Schools Bank.			
Scranton, Pa.,			
		DOLLARS	CENTS
NOTES			
do 1's and 2's			
GOLD			
SILVER			
CHECKS: (In Deposits, enter the bank's name and the amount in full.)			
<i>City Bank</i>		97	75
<i>Pittston</i>		64	80
		162	55

Fig. 2

FROM	ADDRESS
<i>Warren E. Smith, Jr. 46 Lockawanna Ave.</i>	
TO INTERNATIONAL CORRESPONDENCE SCHOOLS BANK, OF SCRANTON, PA.	
Below please find duly authorized signature, which you will recognize in the payment of funds or the transaction of other business on my account. Yours truly,	
<i>Warren E. Smith</i>	
BUSINESS	INTRODUCED BY
<i>Provisions</i>	<i>O. T. Willis</i>
DATE	
<i>April 1, 1900</i>	

FIG. 3

International  
Correspondence  
Dr. *W* Schools Bank is account with *Warren E. Smith, Jr.*

DATE	DEBIT	CREDIT	BALANCE
<i>Apr. 1</i>	<i>2049.90</i>	<i>30 —</i>	
<i>7</i>	<i>162.55</i>	<i>343.50</i>	
<i>11</i>	<i>2.5 —</i>	<i>140</i>	
<i>17</i>	<i>146 —</i>	<i>250 —</i>	
<i>19</i>	<i>67.75</i>	<i>150</i>	
<i>21</i>	<i>93.5</i>	<i>105 —</i>	
<i>23</i>	<i>54 —</i>	<i>375</i>	
<i>25</i>	<i>286.35</i>	<i>206.75</i>	
	<i>2800.90</i>	<i>2800.90</i>	

FIG. 4

No. 1	
April 1, 190	
O. F. Willis,	
sent for April	
\$30. <sup>00</sup> / <sub>100</sub>	30 —
No. 2	
April 5, 190	
J. A. Clarke	
mdn,	
\$343. <sup>50</sup> / <sub>100</sub>	343 50
No. 3	
April 10, 190	
Grand Collins	
repairing locks	
\$1. <sup>40</sup> / <sub>100</sub>	1 40
	1374 90



Scranton, Pa. April 1, 190 No. 1  
**International Correspondence Schools Bank**  
 OF SCRANTON.  
 Pay to the order of O. F. Willis \$30.<sup>00</sup>/<sub>100</sub>  
 Thirty Dollars  
 Warren E. Smith



Scranton, Pa. April 5, 190 No. 2  
**International Correspondence Schools Bank**  
 OF SCRANTON.  
 Pay to the order of J. A. Clarke \$343.<sup>50</sup>/<sub>100</sub>  
 Three hundred forty three and 50/100 Dollars  
 Warren E. Smith



Scranton, Pa. April 10, 190 No. 3  
**International Correspondence Schools Bank**  
 OF SCRANTON.  
 Pay to the order of Grand Collins \$1.<sup>40</sup>/<sub>100</sub>  
 One and 40/100 Dollars  
 Warren E. Smith

FIG. 5

which is shown in Fig. 4. All entries in this book are made by the bank clerks. It should always be taken to the bank when a deposit is made, when papers are left for collection, and when papers are discounted and the proceeds are to be placed to the credit of the depositor. The Pass Book should be balanced at least once a month, it being left at the bank for that purpose.

**12. Checks.**—After a deposit has been made and the amount entered to the credit of the customer in his Pass Book, the bank will then give him a Check-Book. This is a book of blank checks and is usually furnished free of charge by the banks. A sheet of checks, with the stubs attached, is shown in Fig. 5. These blanks are so worded that, when they are properly filled out, they become orders on the bank for money, payable on demand and without interest, to the person

190			
Apr. 1			2249.90
7			97.75
			64.80
			2212.85
	Checked.		374.90
			1837.55
11			25 —
17			146 —
			2007.55
	Checked.		356.50
			1651.05
19			67.75
21			9.35
23			54 —
25			151.35
			132.50
			2069.50
	Checked.		37.75
			2031.75

FIG. 6

named, or to his order, or to the bearer. When it is desired to draw money from the bank, one of these checks is filled out with the date, the name of the person to whom the money is to be paid, and the amount. The check should be signed exactly like the signature was written on the signature card. A full description of the check is then made on the check-stub, and the check torn off for use.

**13. Back of Check-Stubs.**—Fig. 6 shows the back of the check-stubs. On this side of the stubs is kept a record



FIG. 7

of all deposits, and from their sum is deducted the amounts of the checks drawn, as shown by the footing of each page of check-stubs.

The balance should agree with the balance shown by the bank Pass Book, provided all checks drawn have been presented for payment. If all checks drawn have not been turned in, then the balance shown by the bank's books will be the larger by the amount of those checks drawn but not returned by the bank as having been paid.

**14. A certified check** is an ordinary check that has been certified by the cashier or teller of the bank on which it has been drawn; that is, he has stamped or written across the face—usually in red ink—the word “Certified,” the date, and his signature. Such a check is shown in Fig. 7. The act of certifying a check makes the bank responsible for its payment, and not the person who drew it. The principal reason



for having a check certified is that the person receiving it will have a guarantee that it shall be paid.

**15. Indorsements.**—Checks, notes, and drafts are generally made payable to the order of the party receiving



FIG. 8

them and must be indorsed before they can be deposited or transferred. The forms of indorsement in most common use are shown in Fig. 8.

The name only, as shown on the back of the first check, is

a blank indorsement. Paper so indorsed by the party in whose favor it is drawn becomes payable to the bearer.

Paper indorsed "Pay to" will be paid only to the party named and cannot be transferred by him, but must be deposited to his account or collected in person.

The indorsement "Pay to the order of" allows a further transfer of the paper by the indorsement of the party named, and thus forms an indirect receipt showing that such a person received the paper.

"For deposit only" is the proper form of indorsement when papers are sent for deposit by mail or messenger, for they cannot then be put to any other use. Frequently, the

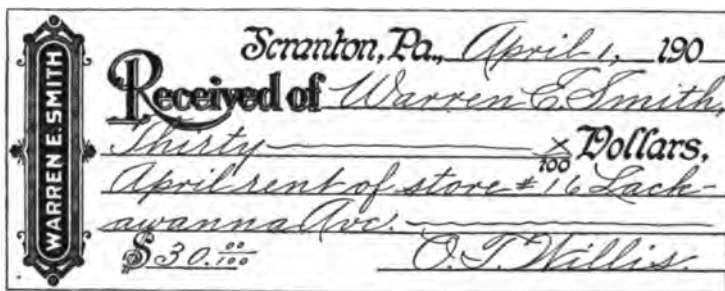


FIG. 9

name of the bank in which they are to be deposited is given, as "For deposit only in the International Correspondence Schools Bank, of Scranton, Pa." Indorsements of this kind are generally made with a rubber stamp, the signature being included in the stamped indorsement.

The indorsement "Pay to the order of" a party "without recourse" releases the indorser from liability in case the paper is not paid. It is seldom used, however, because, except in a very few cases, the holder of a paper must indorse it and assume the liability for his indorsement, or he cannot find any one to whom he can turn over the paper, except for collection.

**16.** A receipt is a written acknowledgment of having received a specified value, with the date, source of value,



signature of the party who received the value, and such other particulars as may be necessary to make it plain and unquestionable. A common form of receipt is shown in Fig. 9. A receipt or voucher of some description should be taken whenever a payment is made. All vouchers of this description should be carefully preserved, as they save disputes, money, trouble, and frequently a lawsuit. A receipt should be so made out that its meaning shall be clearly understood.

17. An invoice, or bill, is an itemized statement of the quantities, prices, and amounts of articles sold by one person to another, with the date of the sale, terms, and discount allowed, if any, etc. It should be made out in a clear and comprehensive manner, itemizing each article so that a person of ordinary intelligence can check up the bill and tell in detail exactly what articles and values it represents. Care should be taken to have the writing and figures plain, so that no mistakes will occur in reading them.

New York, *April 2, 1900*

*Mrs. Warren E. Smith,*

**Bought of EDWARDS & HASTINGS,  
WHOLESALE AND RETAIL GROCERS.**

Terms		ALL CLAIMS FOR SHORTAGE OR DAMAGE MUST BE MADE ON RECEIPT OF GOODS.	
10-lbs. Salt.	90.	90.	
10 " Peas.	9.00.	9.00.	
75 " Apples.	2.10.	157.50.	
200-lbs. Barley.	60.	120.	1382.50

FIG. 10

The characters @ and \$ need not be used in making out bills; they are unnecessary to a clear understanding of the bill, and take up valuable space and time. The use of the different columns and rulings on an ordinary bill head are fully illustrated in Fig. 10, and are self-explanatory.

Invoices should be numbered in the order of their receipt and when paid should be filed away in numerical order. If this is done, it is not necessary to itemize purchase entries, a reference to the invoice by number being sufficient.

A bill and an invoice are really the same thing, but for convenience we shall use the term *invoice* to designate bills

Scranton, Pa., April 6, 1900

M. W. E. Hayward,  
Bought of **WARREN E. SMITH,**  
**Wholesale Grocer.**

Terms 30 days All Claims for Shortage or Damage Must be Made on Receipt of Goods.


2 bbls. Apples	1.25	2.50	
1 " Peaches		1.00	
1 " Apples		2.50	
25 bu. Barley	75	18.75	34.75
			

FIG. 11

of goods bought and the term *bill* to designate the invoices of goods sold. An illustration of a bill is shown in Fig. 11.

All invoices, statements, etc., when paid, should be receipted either with a rubber stamp, as shown in Fig. 11, or in a small, neat style of writing on the next or second line below the last item, and not across the face of the bill, unless absolutely necessary on account of lack of space. In all cases of part payment, only the amount paid should be entered on the bill or statement.

**18. Notes.**—A promissory note is an absolute promise, in writing, to pay on a certain date, or on demand, a specified sum of money to a person named therein, or to his order, or

to the bearer, and signed by the maker. Fig. 12 shows the form of this note most generally used. The manner of recording notes is shown in the Notes and Drafts Book. Notes given are Notes Payable; notes received are Notes Receivable.

There are also notes signed by more than one party, called *joint notes* and *joint-and-several notes*.

A *joint note* reads, "We jointly promise to pay"; it is supposed that each party has been equally benefited; hence, in the case of two makers of a note, only one-half of the note can be collected from each maker.

A *joint-and-several note* reads, "We jointly and severally promise to pay"; in this form of note the makers are united in the obligation, and the payee can collect from all the makers together, or the entire face of the note from any one of them, if he is worth that amount.

To be transferable, or negotiable as it is called, notes must be drawn payable "to the order of" or "to bearer." Any paper drawn payable only to a certain person cannot be transferred.

Scranton, Pa. April 13, 1900

I promise to

pay to the order of John Hayden

One hundred and five 00/100 Dollars

with interest at 5 percent per annum.

at International Correspondence School Bank

Value received

No. 1. Due April 18. Warren G. Smith.

Warren G. Smith

FIG. 12

To John Hayden

New York

For Invoice #3.

Date April 13.

Time 5 days.

Due April 18.

No. 1. \$105.00

The best method of collecting notes and accepted time drafts is to deposit them in the bank a few days before they are due and let the bank handle them; this is part of a bank's business, and its charge to customers for this service is usually but little or nothing.

**19. Protest.**—Notes having indorsers and not paid when due, must be protested for non-payment; otherwise, in most

***United States of America.***

**STATE OF PENNSYLVANIA,  
CITY OF SCRANTON, SS.:**

BE IT KNOWN, That on the day and date hereof, at the request of the International Correspondence Schools Bank, of Scranton, Pa., the holder of the \_\_\_\_\_ hereto attached, I, ALBERT L. WATSON, NOTARY PUBLIC FOR THE COMMONWEALTH OF PENNSYLVANIA, by lawful authority duly commissioned and sworn, residing in the City of Scranton, Lackawanna County, presented the same, *at the bank where payable, to* \_\_\_\_\_ the \_\_\_\_\_ and demanded payment thereof, which was refused and answer made—

WHEREUPON, I, the said Notary, at the request aforesaid, and do hereby solemnly protest against all persons and every party concerned therein, whether as Maker, Drawer, Drawee, Acceptor, Payer, Endorser, Guarantor, Surety, or otherwise howsoever, against whom it is proper to protest, for all Exchanges, Costs, Damages and Interests, suffered and to be suffered for want of payment \_\_\_\_\_ thereof, of all which I notified the Makers and Endorsers

Witness my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_ 1900

\_\_\_\_\_  
Notary Public.

FIG. 13

states, the indorsers are released. Protesting a note is giving formal notice by the holder to the maker and indorsers, through a Notary Public, of its having been presented for payment and payment having been refused. A common form of such a notice is shown in Fig. 13.

**20. Interest** is the money paid for the use of money, and **discount** is interest paid in advance. Whether interest

is paid on a note or a discount is allowed, the face of the note always remains the same, and all entries to Notes Payable or Notes Receivable accounts must be for the face of the note; all items of interest and discount are entered to the Interest and Discount account. If notes are given

**SUPPLEMENT**

Scranton, Pa. April 30, 190

Mr. W. E. Hayward,

Carbondale, Pa.

In Account with **Warren E. Smith.**

Apr	16		24 25	
	6		34 75	
	10		29 20	
	19		25 -	
	27		115 75	242 05
		Car		
	11		25 -	
	21		9 25	34 25
				207 70

**FIG. 14**

and interest is paid on them, the sum so paid must be charged to Interest and Discount account.

Days of grace will not be considered in this bookkeeping work.

**21. Statement of Account.**—It is customary for business houses to send their customers a **statement of account** at least once a month. This is simply a statement

showing the debits, or debits and credits, of the account of the person to whom it is sent. The form of statement commonly used is shown in Fig. 14; the first part alone is used if there are only debits on the account, and the full form if there are both debits and credits.

**22. Ruling Up Accounts.**—In order that the pages shall present a neat appearance when accounts are balanced and ruled up, special care is taken to have all lines begin and end at the desired points, as shown in Fig. 15. To

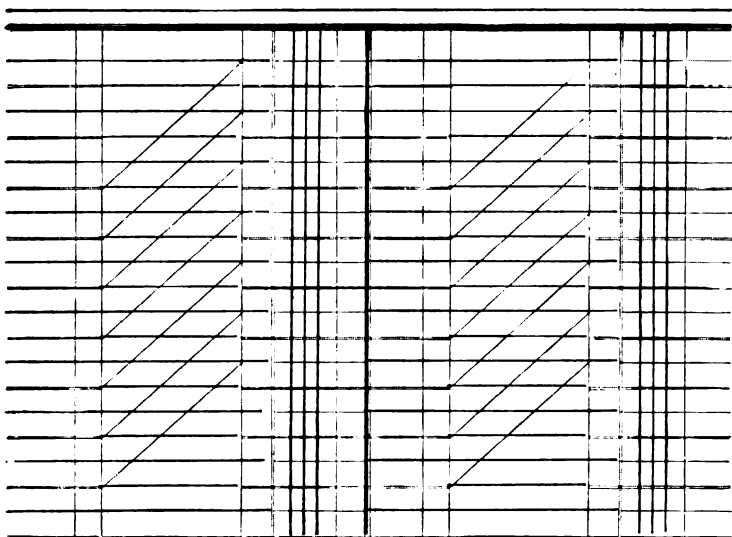


FIG. 15

get lines of a uniform width, the pen must not be overloaded or used until the ink gives out in the middle of a line, making it necessary to retrace. If, however, this must be done, care should be exercised not to increase the width of the line by ruling a little to one side of it.

**23. A price list, or price book,** is a sheet or book containing, in alphabetical order, a list of the goods in stock, with their cost and selling price. The selling price is sometimes given in net figures and sometimes in figures from which certain discounts are allowed.

Scranton, Pa. April 1, 190

I, Warren E. Smith, have this day commenced business as a wholesale provision dealer, at 16 Lackawanna Ave. in a store rented from O. T. Willis, for one year, at \$30 per month, payable monthly in advance.

My resources and liabilities are as follows:

1	Cash on hand,	2049.90	
6	Merchandise inventory,	1271.85	
2	M. Jones & Co. Main St. Pittston, Pa. 261.00		
3	H. P. Barber, 514 Market St. Phila., Pa.		742.1
1	Warren E. Smith, net investment	3501.58	

6	Merchandise,	382.50	
4	Edward T. Hastings 520 Buchanan St. N.Y.		382.50

Invoice #1.

7	W. E. Haywood,	346.35	
6	Lackawanna Ave. Merchandise,		346.35
	2 bbl. Lard,	1.25, 2.50	
1	" Pork,	10.60	
1	" Apples,	2.50	
25	bu. Barley,	75, 18.75	

5	Geo. Wheeler,	11 —	
6	112 Madison Ave. Merchandise,		11 —
	10 bu. Beans,	1.10,	

7	W. E. Haywood,	346.75	
6	Merchandise,		346.75
	5 bbl. Beef,	6.95,	

5	Geo. Wheeler,	18.75	
6	Merchandise,		18.75
	25 bu. Barley,	75,	

FIG. 16

## BOOKS

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### JOURNAL

24. The **Journal** is a book in which is entered a detailed statement of the transactions of which it is necessary to keep a record of. An illustration of this book, together with the arrangement of the different parts of the entries, is shown in Fig. 16. All items not involving cash are entered in the Journal; all those in which cash appears, either received or paid out, are entered in the Cash Book. The amount of cash on hand, as shown by the opening entry in the Journal, is at once transferred to the debit, or left-hand, page of the Cash Book, preceded by an explanation of where it came from.

The figures in the narrow column at the left of the page are the numbers of the Ledger pages to which entries have been posted. When, in the opening entry or elsewhere, there appears a part of an entry it is not desired to post to the Ledger, it is indicated by a check-mark, as shown before the word Cash in the opening entry of this illustration.

The wide column between the folio and the money columns is for the detailed explanation of a transaction. The purpose of the vertical center line through the explanation column is chiefly to serve as a guide in placing the dates in a vertical line. The left-hand money column is for the debit amounts and the right-hand column for the credit amounts.

25. The **opening entry** in a Journal is a statement setting forth the condition of the proprietor's affairs on commencing business. It gives in detail the resources and liabilities of the business, the amount of the proprietor's net investment, names the kind of business to be carried on, where it is to be done, the amount of rent to be paid, if any, and how and to whom it shall be paid.



**CASH BOOK**

26. In the **Cash Book** is kept an account of all money received and paid out. Usually, this is the only account kept with Cash. An illustration of this book with the Journal form of ruling is shown in Fig. 17 (*a*) and (*b*).

Whenever cash is received, the amount is entered on the debit, or left-hand, page of the Cash Book; when paid out, on the credit, or right-hand, page. If this book is correctly kept, the debit side will always be the larger, except in the case of overdrawing the bank account, and the difference between it and the credit side will show, at any time, the exact amount of money on hand. This balance is proved by collecting all the money belonging to the business, including the amount on deposit. This proving is called *balancing Cash*, and should, without exception, be performed daily. By doing so, any omitted entry on either side will be brought to notice before the circumstances are forgotten. This not only saves trouble, but often the bookkeeper's situation.

The manner of entering the cash transactions in the Cash Book is very simple and readily understood by a reference to the illustration. The first column on either side is for the date, the narrow column for the Ledger page of the account to be debited or credited, and the wide column for the entry and explanation. If necessary, more than one line may be used for the explanation, but it should be made as brief as clearness will allow. The amounts are entered on each side of the book in the first money column.

To close the Cash Book, the amounts on both sides are added and the credit amount subtracted from the debit. The debit amount is the sum of the cash received during the month plus the amount on hand at the beginning; the difference between this and the credit amount is the sum on hand. This is proved as previously explained, and the balance written in red ink on the credit side underneath the last item, after which the columns are footed and ruled as shown and the balance brought down in black ink on the debit side as the amount on hand with which to begin the next business period.



2

*Cash*

Apr. 1	11	Expense, rent for month	30	—
5	6	Merchandise, bought of J. R. Blair	343	50
10	11	Expense, repairs on lock	1	40
15	4	Edward W. Hastings, on account	2	50
18	11	Expense, postage stamps	1	50
19		Notes Payable, note favor John Hayden	1	00
25	11	Expense, printing	3	75
28		Balance	200	75
			2500	90

FIG. 17 (b)

**RÉCEIVABLE.**

[illegible]

**PAYABLE.**

When Issued.	No.	Leger Page.	Maker or Acceptor.	In Favor Of	Where Payable.	Given for	Date of Paper.	WHEN DUE.				Amount.	Amount of Interest.	When and How Redeemed.
								Time.	Year.	Day.	Month.			
Apr. 12	1		Myself.	John H. Hager	St. Louis	Lawrence	Apr. 12	1900	11			100.00		Apr. 12

**FIG. 18**

The cash balance goes direct to the Trial Balance. It is not necessary to balance the Cash Book every time the cash is balanced, nor even at the bottom of each page; the page footings can be carried forward and the book balanced at the end of the month.

The great advantage in the use of the Cash Book is in having all receipts and expenditures of cash in such form as to be readily accessible when it is desired to look up the details of any cash transaction. There is also a great saving of labor in not having the different cash items to post.

#### NOTES AND DRAFTS BOOK

**27. A Notes and Drafts Book** is a memorandum book in which is kept a record of all notes and drafts payable and receivable. Any written promise to pay, such as a due bill or an order, may be treated as a note payable if given out or as a note receivable if received. This book is not usually posted from, but is generally kept as an auxiliary book. The form of ruling shown in Fig. 18 is one much used.

NAME OF ACCOUNT.		YEAR.	
	Credit side of Ledger page.	Columns for month.	Columns for day of the month.
		Columns for expenditures.	Columns for expenditures.
		Columns for page posted from.	Columns for page posted from.
		Debit amount.	Debit amount.
		Dollars.	Dollars.
		Cents.	Cents.
	Debit side of Ledger page.	Columns for month.	Columns for day of the month.
		Columns for expenditures.	Columns for expenditures.
		Columns for page posted from.	Columns for page posted from.
		Debit amount.	Debit amount.
		Dollars.	Dollars.
		Cents.	Cents.

FIG. 18

### LEDGER

**28.** The **Ledger** is a book of accounts. It shows the final summing up of all the transactions and the standing of all personal and miscellaneous accounts. The left-hand side of a Ledger page is the debit side; the right-hand side, the credit, and each side has columns for the dates, explanations, and pages of books from which items are posted, as shown in Fig. 19.

The object in keeping a Ledger is to collect together, under the heading of an account, all the transactions affecting that account, putting the debits and credits on their respective sides, with the date on which the transaction took place, the page of the Journal or other book from which the entries were brought to the Ledger account, and such other information as is deemed necessary. It is then apparent not only how much is due on any account, but also how much business, both debit and credit, has been done with any account.

**29.** The **indexing** of a Ledger means the writing of the names of all the accounts that appear in the Ledger in alphabetical order on the first pages of the Ledger, which are especially arranged for that purpose, by allotting a page or a number of pages to each letter of the alphabet. Small Ledgers are sometimes indexed by printing two or more letters on the same page, or in the same index column. All accounts that begin with the letter A should be placed in the index under the letter A, and all that begin with B should be placed under B, and so on through the entire alphabet, as shown in the accompanying form.

Great care should be taken in writing the index to write the names very compactly, placing the initials and figures close to the name, thus saving as much space as possible in the index pages.

In the form given, the figure 3, following H. R. Barber's name, shows that his account is on page 3 in the Ledger; the figure 4, following the name of Edwards & Hastings,

shows that this account is on page 4 in the Ledger; the figure 11, following the word Expense, shows that this account is on page 11 of the Ledger; etc.

#### LEDGER INDEX

B	L
Barber, H.R., 3	Loss and Gain, 12
E	M
Edwards & Hastings, 4	Merchandise, 6
Expense, 11	N
H	Notes Receivable, 9
Haywood, W. E., 7	Notes Payable, 10
Hayden, John, 8	S
J	Smith, Warren E., 1
Jones, M. F., 2	W
	Wheeler, Geo., 5

#### OPERATIONS

##### POSTING

**30. Meaning of Term.**—By posting is meant the transferring of all items of the same kind from the Journal and other books to one page in the Ledger and all items of another kind to another page; that is, all merchandise items are collected on one page, all notes-payable items on another, and all items of the proprietor's account on another; etc. All debit items of any account must be posted to the debit side of that account, and all credit items to the credit side.

**31. Routine.**—The details of posting are as follows: The name of the account is first written on the light-blue line at the top of the page in the Ledger; then the year, month, and day is entered in the date column; next, the page of the book from which the item is posted is entered in the folio column; then the amount of the item in the money column. When the posting of the item is complete, the number of the Ledger page is entered in the folio column of the book from which it was transferred.

**32. Posting From the Journal.**—It is a good plan, in posting from the Journal to the Ledger, to first post all the debit items on one page to the debit side of the accounts in the Ledger, then the credit items to the credit side, following the same order with each succeeding page.

*Debit Items.*—Turning to the first page of the Journal of the Model Set, we find that the first debit items are Cash, Merchandise, and M. F. Jones. A check-mark (✓) is placed in the folio column before the item of Cash, to indicate that this item does not appear in the Ledger, all Cash items being carried to the Cash Book and no other account kept of them. The next item, which is Merchandise, is to be posted to the Ledger; therefore, a Merchandise account is opened in that book, in this case on page 6, and the item posted as follows: On the left-hand, or debit, side of the account the year 190— is first entered in the space above the date column and between the light line on which the heading of the account is written and the double headlines over the columns. The month and day, April 1, are then entered in the date columns, and the page of the Journal, which is 1, in the folio column; then the amount of the item, \$1271.85, in the money column. The page of the Ledger account, 6, is then entered in the folio column of the Journal opposite the item just posted, and the work is complete. This routine is followed with the other debit items on the Journal page, new accounts being opened as they are needed.

*Credit Items.*—It will not be necessary to enter into the details of posting the credit items, as they are posted from the Journal to the Ledger precisely as the debit items, except that they are entered on the credit side of the account.

The reason for posting all the debit items on a page and then the corresponding credits, instead of first a debit item and then the credit item, is that the fewer changes made from posting debits to posting credits, the less liability there is of posting items to the wrong side of an account.

In actual practice, when posting, it is frequently found that one or more items of an account will balance. In such cases, many bookkeepers immediately rule off these items,



when the ruling for both sides of the account can be made on the same line, thus closing the account to the point at which it balances. (See the account of M. F. Jones in the Model Set.)

When the posting of all items is completed, the columns of each account in the Ledger are added and the footings written, with a pencil sharpened to a very fine point, in the explanation column on the same line as the figures of the last item posted, to the side of the account added. Placing the footing figures here will not interfere with the posting of additional items, and it will be easy to erase them if desired.

**33. Posting From the Cash Book.**—In posting from the Cash Book to the Ledger, it must be remembered that, if an entry made on the left-hand page of the Cash Book debits Cash, it must credit the account named in the entry; and, if an entry made on the right-hand side of the Cash Book credits Cash, it must debit the account named in the entry. Therefore, all items found on the debit side of the Cash Book must be posted to the credit side of the respective accounts in the Ledger, and all items found on the credit side of the Cash Book must be posted to the debit side of the respective accounts in the Ledger. When special columns are used in the Cash Book, their footings are posted to the proper side of their respective accounts in the Ledger the same as, but instead of, the separate items. The footings of the Cash Book show the total amount of cash received and paid out during the month; their difference shows the amount of cash on hand, which amount is taken direct into the Trial Balance from the Cash Book.

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#### TRIAL BALANCE

**34. A Trial Balance** is the result of adding together all the debits in the Ledger in one sum, and all the credits in another, omitting those accounts that are in balance, as they have no effect on the Trial Balance. If the work in the Ledger is correct, the sum of the debits will be equal to the sum of the credits. The object of taking a Trial

Balance is to test the correctness of the work in the Ledger, but a Trial Balance, alone, is not sufficient proof that the work in the Ledger is absolutely correct, as it merely shows that, for every sum entered on the debit side, a corresponding sum has been entered on the credit side; that is, a Trial Balance is simply evidence, and not proof, of the correctness of the work. For example, if an account were credited with an item of \$100 that belonged to some other account, it would not throw the Ledger out of balance, yet both of these accounts would show wrong amounts and be incorrect.

A Trial Balance is taken by writing on a sheet of journal paper the name of every open account the Ledger contains, including the total sum of their respective debits and credits, the sum of the debits in the left-hand, or debit, column of the sheet, and the credits in the right-hand, or credit, column; and the Ledger page of each account is written in the narrow column at the left, as shown in the Trial Balance of the Model Set. The debit and credit columns of the Trial Balance are added; if they agree the balance is supposed to be correct; if they do not agree, there is an error somewhere and the work must be reviewed to find it.

A Trial Balance is usually taken on the first of each month, but the books are not usually closed more than once a year, though some firms close them once in 6 months or oftener.

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#### STATEMENT OF THE BUSINESS

**35.** After getting a Trial Balance, the next thing to do is to make a **Statement of the Business**, which is sometimes called a **Balance Sheet**. The principal object of this statement is to ascertain the exact financial standing of the business, and at the same time it will be of assistance in closing the books.

Before attempting to make this statement it will be absolutely necessary to thoroughly understand how to classify the accounts, as every account in the Ledger, excepting the proprietor's, must be classified in the statement either as a resource, a liability, a loss, or a gain.

**36. A resource** is anything belonging to the business that has a cash value, such as the various amounts due from other persons on account, merchandise on hand, notes receivable, cash, store and office furniture, real estate, chattels, stocks, etc.; in fact, anything of value that belongs to the business.

**37. A liability** is anything in the nature of a debt that will have to be paid at some future time; such as the amounts due other persons on account, notes payable, etc., any debt or amount that must be paid by the business.

**38. A gain** is the profit of a business, and is usually found in such accounts as Merchandise, Interest and Discount, Commission, Real Estate, Stocks, etc.

**39. A loss** is the opposite of a gain and is the natural result of a failure to gain. It is usually found in such accounts as Expense, Merchandise, Interest and Discount, Commission, Real Estate, Stocks, etc.

**40. Classifying Accounts.**—It will be seen from the foregoing that there are two kinds of accounts—those the nature of which is to produce a loss or a gain, called **Loss and Gain accounts**; and those the nature of which is not to produce a loss or a gain, called **Resource and Liability accounts**. They are further classified by calling the Resource and Liability accounts, **non-speculative accounts**; and the Loss and Gain accounts, **speculative accounts**. It is necessary, before deciding whether an account goes into the Resource and Liability part of the statement or into the Loss and Gain part, to determine whether it is a speculative or non-speculative account.

**Rule.**—*Speculative accounts are all but Cash, personal, Notes Payable and Receivable, Drafts Payable and Receivable, Mortgages Payable and Receivable, and others of a like nature.*

When the debit side of any account in the Ledger is the larger, the difference is either a resource or a loss. To determine where, in the statement, such an account belongs, it

must be decided whether it is a speculative or non-speculative account. If the account in question is the Cash account, a personal account, a Notes Receivable account, a Drafts Receivable account, or a Mortgages Receivable account, the difference is a resource; if the account is any other than of this nature and the debit side is the larger, it is a loss.

When the credit side of any account in the Ledger is the larger, the difference is always a liability or a gain. To determine which it is, it must first be decided whether the account is speculative or non-speculative. If the account in question is a personal account, a Notes Payable account, a Drafts Payable account, or a Mortgages Payable account, then the difference between the sides is a liability; if the account is any other than of this nature and the credit side is the larger, the difference between the sides is a gain.

The debit balance of every non-speculative account is a resource to the business, and the debit balance of every speculative account is a loss; the credit balance of every non-speculative account is a liability to the business, and the credit balance of every speculative account is a gain. If the sum of the resources is greater than the sum of the liabilities, the difference is the proprietor's Present Worth; if the sum of the liabilities is greater than the sum of the resources, the difference is the sum of the proprietor's insolvency. The difference between the Present Worth of the proprietor and his worth in the beginning shows his net gain or loss; that is, if he is worth less now than on beginning business, he has lost just that much; if he is worth more now than when he began business, he has gained just that much. The difference between the sum of the gains and the sum of the losses also shows the net gain or loss. If the sum of the gains is the larger, that difference is the net gain; if the sum of the losses is the larger, that difference is the net loss.

A Statement of the Business is made by arranging each account under its proper heading, as shown in the Statement of the Model Set. All the accounts in the Trial Balance

that show a resource are selected and arranged as shown in the resources of the Model Set, and then the accounts that show a liability are arranged as shown under Liabilities. The total sum of the liabilities is subtracted from the total sum of the resources; the difference is the proprietor's Present Worth, which is entered the same as Warren E. Smith's Present Worth is given in the Model Set.

All the accounts in the Trial Balance that show a gain are arranged in the statement as shown in the Statement of the Model Set, and then the accounts that show a loss are arranged as shown. The total sum of the losses is subtracted from the total sum of the gains, and the difference is the net gain. Next, the Stock account is arranged in the statement as shown by the account of W. E. Smith in the Model Set, showing the amount invested, the amount of the gain, and the sum of the two, which is the proprietor's Present Worth on the day of closing the books.

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#### CLOSING BOOKS

**41.** Closing an account means making it balance, and closing a set of books means closing, or balancing, all accounts in the Ledger that show a loss or gain, into the Loss and Gain account. This is a summing up account for the losses and gains, and receives, in a brief form, the net loss or gain on each speculative account. In the Loss and Gain account the speculative accounts are summed up and the difference entered in red ink on the smaller side, from which it is carried to the opposite side of the proprietor's account, where it is entered in black ink. As only such accounts as show a gain or loss are closed, it is necessary to deal with but speculative accounts.

To close an account, the difference between the sums of the two sides is first found; this amount is entered on the smaller side, in red ink, together with the date and the words Loss and Gain, or the letters L. & G. to indicate it. This balances, or closes, the account in question. Next, a Loss and Gain account is opened in the Ledger and properly

indexed. The figures showing the page are entered in the folio column of the account closed and then the red-ink balance is transferred in black ink to the opposite side of the Loss and Gain account. The date column of the Loss and Gain account shows the date on which the account was closed; the explanation column, the name of the account; the folio column, its Ledger page; and the money column, the amount that was necessary to close, or balance, the account.

After all the speculative accounts in the Ledger are closed to the Loss and Gain account, the Loss and Gain account is closed to the proprietor's account, in the same manner as the speculative accounts, except that in the explanation column is written the name of the proprietor instead of Loss and Gain; this closing entry is then transferred in black ink to the opposite side of the proprietor's account, giving the date, the letters L. & G. to show where the entry came from, the page of the L. & G. account, and the amount. This completes the closing of the speculative accounts and the carrying of the net gain or loss to the proprietor's account. Next, rule up all the accounts in the Ledger that balance, as shown in the accounts in the Model Set.

The non-speculative accounts, which are nearly all personal accounts, are not generally balanced when the books are closed. The great number of these accounts on most books would make it almost a physical impossibility for the regular bookkeeper to balance them and do the routine work, and there is nothing to gain by closing them, as the balances can be taken from the Trial Balance and carried to the Resource and Liability statement.

If, however, it is thought best to close the non-speculative accounts, it is done in the following manner: A Resource and Liability account is opened in the Ledger and properly indexed; then each of the non-speculative accounts is closed in turn, beginning with the first one after the proprietor's account (the proprietor's account closes to Resource and Liability account, but is reserved for the last account to close it and should make the Resource and Liability account exactly balance), writing, on each account closed, the date, the letters

R. & L. to indicate that the account is closed to Resources and Liabilities, the page of the R. & L. account, and the amount of the balance.

This closing entry on each account is made in red ink, and is immediately transferred in black ink to the opposite side of the R. & L. account, giving the date, the name of the account from which the entry was obtained, the page of the account, and the amount. This is done with every account now open on the Ledger (all speculative and other accounts that were in balance having been ruled up previously), including the proprietor's account; all these are carried to the R. & L. account and should make it balance exactly. All accounts in the Ledger are then ruled up, and the Resource and Liability balances brought down in black ink on the opposite side of the account from which they were entered in red, under the date of the first day of the next business period.

When all the R. & L. balances have been brought down, a Trial Balance of these balances, called a Balance of Balances, is taken to see whether all have been brought down and whether the Ledger is in balance. If found to be correct, it is copied into the Journal or a Statement Book, following the Statement of the Business.

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## MODEL SET

**42. General Merchandise Business.**—The following transactions and the accompanying illustrations show the use and manner of handling the various books and papers previously explained.

The transactions are first entered in the Journal and the Cash Book and are then posted to the Ledger, after which the Cash Book and Check-Book are balanced and ruled up. The date lines in the Journal should also be ruled as shown in the illustration. A Trial Balance is then made, beginning by entering on it the cash balance as shown by the Cash Book and proceeding as directed in the instructions for this part of the work. Next, an inventory is made. In actual business

this would be done by taking account of the goods in the store. In this case, it is necessary to make a list of the articles on hand at the beginning as well as of those bought during the month and deduct those sold in the same period. After this, a Statement of the Business is made out, the Ledger being then closed and ruled up and the balances brought down as shown in the illustrations.

But three of the checks required in these transactions are shown. The backs of the check-stubs, however, show the various amounts drawn by check, as well as the different deposits.

In amounts where there are no cents, it is good practice to place a dash in the cents column, as shown in the illustrations. A dash is more quickly made than two ciphers and is more easily passed over in adding. If the cents column is left blank, there is nothing to show that it is intentional and not an error.

In this set the posting to the Ledger is done at the end of the month; in actual business, the posting would be done daily.

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INVENTORY

ARTICLE	QUANTITY	COST	AMOUNT
Apples,	75 bbl.	2.10	157.50
Barley,	76 bu.	.60	45.60
Beans,	20 "	.90	18.00
Beef,	30 bbl.	6.20	186.00
Fish,	19 "	12.25	232.75
Flour,	49 "	5.60	274.40
Pork,	35 "	9.60	336.00
Salt,	24 "	.90	21.60
			<hr/> 1271.85



## PRICE LIST

ARTICLE	QUANTITY	COST PRICE	SELLING PRICE
Apples,	bbl.	2.10	2.50
Barley,	bu.	.60	.75
Beans,	"	.90	1.10
Beef,	bbl.	6.20	6.95
Fish,	"	12.25	12.75
Flour,	"	5.60	6.60
Pork,	"	9.60	10.60
Salt,	"	.90	1.25

## TRANSACTIONS

SCRANTON, PA., APRIL 1, 190

I, Warren E. Smith, have this day commenced business at 16 Lackawanna Ave., as a wholesale provision dealer.

The store room at the above place has been leased from O. T. Willis, at a monthly rental of \$30.00, payable in advance.

My resources and liabilities are as follows:

*Resources*

Cash,	2049.90
Merchandise, as per inventory,	1271.85
M. F. Jones, 25 Main St., Pittston, Pa.,	261.04

*Liabilities*

H. R. Barber, 516 Market St., Philadelphia, Pa.,	74.21
Warren E. Smith's net investment,	3508.58

Make the opening entry in the Journal and enter the cash in the Cash Book.

Make out a deposit slip and deposit, entering the amount on the back of the check-stubs in the Check-Book.

— 1 —

Paid O. T. Willis, for April rent, \$30.00.

Check-Book.

Cash Book. Charge to Expense.

## — 3 —

Bought from Edwards & Hastings, 520 Beekman St.,  
New York, on account,

10 bbl. Salt,	.90	9.00	
10 " Pork,	9.60	96.00	
75 " Apples,	2.10	157.50	
200 bu. Barley,	.60	120.00	382.50

Journal.

## — 4 —

Sold to W. E. Haywood, Carbondale, Pa., on account,

2 bbl. Salt,	1.25	2.50	
1 " Pork,		10.60	
1 " Apples,		2.50	
25 bu. Barley,	.75	18.75	34.35

Journal.

## — 5 —

Bought from J. A. Clark, 309 Barclay St., N. Y., for cash,

10 bbl. Flour,	5.60	56.00	
15 " Beef,	6.20	93.00	
10 " Fish,	12.25	122.50	
80 bu. Beans,	.90	72.00	343.50

Check-Book.

Cash Book.

## — 5 —

Sold to George Wheeler, 112 Madison Ave., on account,

10 bu. Beans,	1.10	11.00	
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Journal.

## — 6 —

Sold for cash,

50 bu. Barley,	.75	37.50	
5 bbl. Beef,	6.95	34.75	
2 " Fish,	12.75	25.50	97.75

Cash Book.

Hold cash until directed to make a deposit.

## — 6 —

Sold to W. E. Haywood, on account,

5 bbl. Beef,	6.95	34.75	
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Journal.

— 7 —

Sold to George Wheeler, on account,

25 bu. Barley,	.75	18.75
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Journal.

— 7 —

Sold for cash,

5 bbl. Flour,	6.60	33.00	
3 " Pork,	10.60	31.80	64.80

Cash Book.

Make out deposit slip and deposit with amount held on the 6th. Enter on back of check-stubs in Check-Book.

— 8 —

Bought from John Hayden, 102 Grand St., New York, on account,

10 bbl. Salt,	.90	9.00	
10 " Pork,	9.60	96.00	105.00

Journal.

— 10 —

Paid cash for repairs on door lock, \$1.40.

Check-Book.

Cash Book. Charge to Expense.

— 10 —

Sold to W. E. Haywood, on account,

2 bbl. Salt,	1.25	2.50	
2 " Pork,	10.60	21.20	
5 bu. Beans,	1.10	5.50	29.20

Journal.

— 11 —

Received a 30-day note from M. F. Jones, in payment of his account, \$261.04.

Journal.

Notes and Drafts Book.

— 11 —

Received from W. E. Haywood, cash on account, \$25.00.

Cash Book.

Deposit and enter on back of check-stubs in Check-Book.

## — 12 —

Sold to M. F. Jones, on account,

10 bbl. Salt,	1.25	12.50	
5 " Pork,	10.60	53.00	
10 " Apples,	2.50	25.00	90.50

Journal.

## — 13 —

Gave John Hayden my 5-day note in payment of invoice of 8th, \$105.00.

Journal.

Notes and Drafts Book.

## — 14 —

Sold to George Wheeler, on account,

12 bbl. Apples,	2.50	30.00
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Journal.

## — 15 —

Paid to Edwards & Hastings, cash on account, \$250.00.

Check-Book.

Cash Book.

## — 17 —

Sold for cash,

8 bbl. Fish,	12.75	102.00	
40 bu. Beans,	1.10	44.00	146.00

Back of check-stubs in Check-Book.

Cash Book.

## — 18 —

Paid for 75 stamps, \$1.50.

Check-Book. Draw check to the order of "Myself" and pay currency for stamps.

Cash Book. Charge to Expense.

## — 18 —

Paid my 5-day note in favor of John Hayden, due today, \$105.00.

Check-Book.

Cash Book.

Mark paid in Notes and Drafts Book.

— 18 —

Bought from John Hayden, on account,

5 bbl. Salt,	.90	4.50	
5 " Pork,	9.60	48.00	
8 " Beef,	6.20	49.60	102.10

Journal.

— 19 —

Sold to W. E. Haywood, on account,

10 bbl. Apples,	2.50	25.00	
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Journal.

— 19 —

Bought from Edwards &amp; Hastings, on account,

65 bu. Beans,	.90	58.50	
2 bbl. Fish,	12.25	24.50	
25 " Apples,	2.10	52.50	
90 bu. Barley,	.60	54.00,	189.50

Journal.

— 19 —

Sold for cash,

5 bbl. Flour,	6.60	33.00	
5 " Beef,	6.95	34.75	67.75

Cash Book.

Back of check-stubs.

— 21 —

Received cash from W. E. Haywood, in full for bill of 4th, \$9.35.

Cash Book.

Back of check-stubs.

— 23 —

Sold for cash,

40 bu. Beans,	1.10	44.00	
8 bbl. Salt,	1.25	10.00	54.00

Cash Book.

Back of check-stubs.

— 25 —

Paid cash for printing, \$3.75.

Check-Book.

Cash Book. Charge to Expense.

— 27 —

Sold to W. E. Haywood, on account,

75 bu. Barley, .75 56.25

25 bbl. Apples, 2.50 62.50 118.75

Journal.

— 28 —

Sold for cash,

5 bbl. Beef, 6.95 34.75

11 " Pork, 10.60 116.60 151.35

Cash Book.

— 28 —

Sold for cash,

39 bbl. Apples, 2.50 97.50

50 bu. Barley, .75 37.50 135.00

Cash Book.

Deposit day's receipts and enter amount on back of check-stubs.

— 30 —

Rule date lines in Journal.

Balance and rule Cash Book.

Post to Ledger; from the Journal first, beginning with the items of the opening entry; then from the Cash Book, debit side first. Whenever, in posting, an account, or part of an account balances, rule it up.

Take a Trial Balance.

Make out a Statement of the Business.

Close the books and bring down inventory and balances.

## INVENTORY

ARTICLE	QUANTITY	COST	AMOUNT
Apples,	78 bbl.	2.10	163.80
Barley,	141 bu.	.60	84.60
Beans,	70 "	.90	63.00
Beef,	33 bbl.	6.20	204.60
Fish,	21 "	12.25	257.25
Flour,	49 "	5.60	274.40
Pork,	38 "	9.60	364.80
Salt,	27 "	.90	24.30
			<u>1436.75</u>

## JOURNAL

1

Scranton, Pa. April 1, 190

	I, Warren E. Smith, have this day commenced business as a wholesale provision dealer, at 16 Lackawanna Ave. in a store rented from O. T. Wallis, for one year, at \$30 per month, payable monthly in advance.									
	My resources and liabilities are as follows:									
✓	Cash on hand,								2049.90	
6	Merchandise, inventory,								1271.85	
2	M. F. Jones & Mingle, Pittston, owes me								261.04	
3	H. R. Barber, 618 Market St., Phila.,								744.21	
1	Warren E. Smith, net investment								3508.58	
6	Merchandise,								382.50	
4	Edward & Hastings								382.50	
	220 Buchanan St., Phila.									
	Invoice #1.									
7	W. E. Haywood,								344.35	
6	Lackawanna, Pa., Merchandise,								344.35	
	2 bbl. Salt,								125.25	
	1 " Pork,								10.60	
	1 " Apples,								2.50	
	25 bu. Barley,								75.18.75	
5	Geo. Wheeler,								11 —	
6	112 Madison Ave., Merchandise,								11 —	
	10 bu. Beans,								1.10,	
7	W. E. Haywood,								344.75	
6	Merchandise,								344.75	
	5 bbl. Beef,								6.95,	
5	Geo. Wheeler,								18.75	
6	Merchandise,								18.75	
	25 bu. P. Barley,								7.5,	

2

April 8, 190

6	Merchandise,		105—		
8	John Hayden,			105—	
	102 Grand St., N. B.				
	Invoice #3.				
	10				
7	W. E. Haywood,		29 20		
6	Merchandise,			29 20	
	2 bbl. Salt,	1.25, 2.50			
	2 " Pork,	10.60, 21.20			
	5 bu. Beans,	1.10, 5.50			
	1				
9	Notes Receivable,		261 04		
2	M. F. Jones,			261 04	
	Received a 30-day note in				
	payment of his account				
	12				
2	M. F. Jones,		90 50		
6	Merchandise,			90 50	
	10 bbl. Salt,	1.15, 12.50			
	5 " Pork,	10.60, 53.—			
	10 " Apples,	2.50, 25.—			
	13				
8	John Hayden,		105—		
10	Notes Payable,			105—	
	Gave my 5-day note in pay-				
	ment of invoice #3.				
	14				
5	Geo. Wheeler,		30—		
6	Merchandise,			30—	
	12 bbl. Apples,	2.50,			
	18				
6	Merchandise,		102 10		
8	John Hayden,			102 10	
	Invoice #4.				
	19				
7	W. E. Haywood,		25—		
6	Merchandise,			25—	
	10 bbl. Apples,	2.50,			





## CASH BOOK

2

Cash

[illegible]

## CASH BOOK

2

Cash.

[illegible]

## LEDGER

1

*Warren E. Smith, Proprietor*

<i>Apr 30</i>	<i>Debit</i>	<i>3623 18</i>	<i>Apr 1</i>	<i>1</i>	<i>3508 58</i>
			<i>30</i>	<i>114 60</i>	
		<i>3623 18</i>			<i>3623 18</i>
			<i>May 1</i>	<i>Debit</i>	<i>3623 18</i>

2

*M. F. Jones, 250 Main St., Pittston, Pa.*

<i>Apr 1</i>	<i>1</i>	<i>261 04</i>	<i>Apr 11</i>	<i>2</i>	<i>261 04</i>
<i>Apr 12</i>	<i>2</i>	<i>90 50</i>			

3

*A. R. Barber, 516 Market St., Phila.*

			<i>Apr 1</i>	<i>1</i>	<i>74 21</i>
--	--	--	--------------	----------	--------------

4

*Edward S. Hastings, 520 Bickman St.*

<i>Apr 15</i>	<i>2</i>	<i>250 -</i>	<i>Apr 3</i>	<i>1</i>	<i>352 50</i>
			<i>17</i>	<i>3</i>	<i>119 50</i>

**5**

Geo Wheeler, 12 Madison Ave.

[illegible]

6

Merchandise

1902			1901		
Apr 1	1	1271.85	Apr 11	1	343.5
3		352.50	5		11 —
6	2	105 —	6		347.5
15		102.10	7		157.5
19	3	189.50	10	2	292.0
5	2	343.50	12		40.50
30 <sup>last</sup> Jan	12	1512.5	14		30 —
			19		25 —
			27	3	1157.5
			6	2	977.5
			7		64.00
			17		146 —
			19		677.5
			23		54 —
			28		1513.5
					13.5 —
			30 <sup>last</sup> Feb.		1436.75
					2545.70
May 1		2545.70			
		1436.75			

7

W. E. Kaywood, Carbondale, Pa.

180		180			
Apr 4	1	343.5	Apr 11	2	35 —
6		347.5	21		33.5
10	2	292.0			
18		25 —			
27	3	187.5			

[illegible][illegible]

Notes Payable	
Apr 15	2 105 -
Apr 13	2 105 -

Expenses									
1911		1912							
Apr 1		2	30	—	Apr 30	25	12	36	65
10			1	40					
15			1	50					
25			3	75					
			3	65					36 65

12

12

*Loss & Gain*

1912		1911			
Apr. 30	Expenses, 11	366.5	Apr. 30	Merch., 6	1512.5
30	W. J. Smith, 1	1146.0			
		1512.5			1512.5

*Trial Balance April 30, 1912*

	Cash,	2065.75	
1	Warren E. Smith,		3500.50
2	M. F. Jones,	911.50	
3	H. A. Barker,		744.21
10	Edward Hastings,	250.00	592.00
5	Crack Wheel,	59.75	
6	Merchandise,	2304.45	1100.95
7	H. C. Haywood,	242.05	343.50
8	John Hayden,		102.10
9	Notes Receivable,	261.00	
11	Expenses,	366.50	
		5400.19	5400.19









# DOUBLE-ENTRY BOOKKEEPING

## (PART 2)

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### SPECIAL FORMS OF BOOKS

**1. Introduction.**—In this Section we shall give new forms for some of the books used in the previous Section. Many employers have their own special forms of books, those explained here being frequently used. The student should be familiar with these, since he may be called on to handle them in practical work.

The books used will be a Banking Ledger, Journal, Cash Book, Order Book, Sales Book, Purchase Book, and Ledger, and we shall illustrate the manner of opening and closing partnership accounts and dividing the gains or losses. Each partner will have two accounts: one called a stock account, for his investment and gains or losses; the other a personal account, for his purchases and other transactions with the firm, which account is kept the same as that of any customer. The object of this is to avoid any difficulty in dividing the gains or losses in proportion to the investment of the partners, as by this plan the investments are not changed, which would be the case if one account with each partner were used for all transactions.

---

### METHODS AND FORMS

**2. Posting.**—Purchase Books and Sales Books are sometimes paged differently, so that the page number, as it appears in the Ledger, will indicate the book posted from. If the Sales Book is paged with odd numbers and the Purchase Book with even numbers, then, when posting or taking

*For notice of copyright, see page immediately following the title page.*

a trial balance, if an even-numbered page is found on the debit side of a customer's account or an odd-numbered page on the credit side of an account of a person from whom goods are bought, it will clearly indicate an error in posting. The use of books paged this way will help to avoid errors as well as to locate them if made.

A plan that is sometimes followed in posting is to first enter all the Ledger pages in the book posted from and then check off the items as posted. This is a good plan when many references must be made to an index, as it may save time and there will be less liability of making errors in the amounts posted; otherwise, it is a better plan to enter these pages only as fast as the posting is done.

**3. Check-Sheet.**—Many errors in posting will be quickly detected and much of the troubles in getting trial balances avoided if a check-sheet is kept while posting. Any kind of blank paper may be used for this purpose.

In posting from the Journal, post all debit items first. When an amount has been posted, and before placing the number of the Ledger page in the folio column of the Journal, copy the amount just posted on the check-sheet. When all the debit items have been posted, fold the check-sheet so that the figures just made cannot be seen, and post the credit items. If the posting has been correctly done, the columns of figures on the check-sheet should agree and should be the same as the columns of the Journal.

The object of entering the posted amounts on a check-sheet in this manner is to catch any change or transposition of figures as posted; by writing the figures on a check-sheet as soon as posted, any error in posting will be quite likely to be copied on the check-sheet and thus quickly detected.

A check-sheet for the postings of a Sales Book, Purchase Book, or for each side of a Cash Book, must be compared with the items of the book, or the sheet may be footed and the footings compared with the footings of the book.

**4. Padded Checks.**—Instead of a check-book as used in the previous Section, we shall here use checks put up in

pads, as shown in Fig. 1, and keep accounts of deposits and withdrawals in a Banking Ledger. The checks are the same in every respect as those in a check-book, and should be numbered consecutively.

Checks should never be drawn unless there is money in the bank to meet them. Banks will not pay checks unless the money is on deposit, and nothing will injure the credit of a business man more than having his checks returned marked

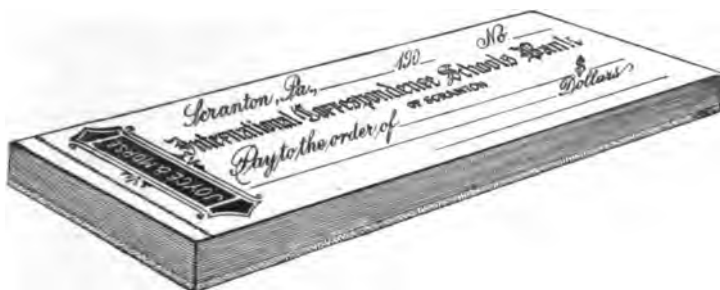


FIG. 1

"No funds." If, by special arrangement, a bank account is overdrawn, the bank will enter in red ink the amount on the debit side of the Ledger account and on the customer's Pass Book.

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## BOOKS

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### BANKING LEDGER

5. A **Banking Ledger** is a book in which is kept the account with a bank, the deposits being entered on the debit side and the withdrawals on the credit side, as shown in Fig. 2. The Date column on the debit side is for the dates when the deposits are made, not for the dates of the checks. If but one check is deposited, the amount should be written in the Total Deposit column; if two or more are deposited on the same day, the amount on each check should be written in the Deposit Items column and the total amount for the

day extended to the Total Deposit column. The names of those from whom the checks are received should be written in the column headed From Whom Received. Each check is entered at the time of drawing it, and its date and number given in the proper columns.

**BANKING LEDGER**

**M. Joyce & Morse,**  
IN ACCOUNT WITH  
**INTERNATIONAL CORRESPONDENCE SCHOOLS BANK.**

190	Debit	From Whom Received	Deposit Date	Total Deposits	190	Credit	To	Checks
May	1	Investment		3817.21	May 1	1	141.30	
	2	Cash sales	5 -			2	182.50	
		G. D. Collins	14.25			3	85 -	
		W. D. Willis	9.37	31.62	14	4	122.50	
	3	Cash sales		22.65	21	5	102.50	
	4	" "		10.95	26	6	28 -	
	5	" "	6.90		30	7	166 -	
		H. M. Jones	21.50	20.40	31	8	117.5	
	6	Cash sales	14.50			9	46.25	
		G. D. Collins	25.10	29.60		10	130 -	
	7	W. D. Willis		23.75		11	224.50	
	8	Cash sales		6.65				
	9	" "		14.15				
	10	D. J. Easton		25 -				
	11	Cash sales	22.60					
		Investment	17 -	39.60				
	12	Cash sales	21.70					
		J. T. Harris	63.25	50.95				
	13	G. D. Willis		60.40				
	14	G. D. Willis		42.50				
	15	G. D. Willis		42.50				
				424.75			424.75	

FIG. 2

**JOURNAL**

6. It will be unnecessary to enter into a detailed description of the Journal used in this Section, since it is the same as that previously explained.

### CASH BOOK

7. The style of ruling used in the **Cash Book** of this Section is the same as in the last, but its use is varied by entering all cash sales of merchandise in the second column of the debit side, and at the end of the month carrying the footing into the first column and posting it to the credit of Merchandise account. The second column on the credit side is used in the same way for items of expense.

The use of these special columns saves posting the separate items of cash sales and charges to expense account, the total of each being posted to one item at the end of the month.

There is no change in the method of balancing and ruling the Cash Book, as will be seen by a comparison with the Cash Book of the preceding Section.

---

### ORDER BOOK

8. An **Order Book** is commonly used for the entering of orders received from customers for delivery. They are entered from the written or verbal order, and the goods are packed, shipped, and billed according to the order as found here. This entry not only gives the number and kind of goods wanted, but tells where to deliver them. It is the custom in some business houses to also enter the terms and price for which the goods were sold. The form of an Order Book and the manner of entering the orders are shown in the Model Set.

There is no posting to be done from this book, its object and advantage being to have all the orders in a convenient place from which to pack them up and check them as shipped and billed. The bookkeeper should mark each order "Entered" as he charges it in the Sales Book. If goods are sold for cash and are to be delivered, the order should be handled the same as any other, except that it should be marked "Paid" at the time of entering, so that the bookkeeper will not charge it against the customer. In case only a part of an order is shipped, that part is so marked and the balance brought forward from day to day until shipped.

### SALES BOOK

**9.** The **Sales Book** is used for recording all merchandise sales on account. This book is in more general use by large establishments than by small, the smaller business houses finding it equally convenient to enter their sales in the Journal. Its use in all cases is a matter of choice and convenience and not of necessity.

The principal advantage of the Sales Book is the labor saved in posting—the debit items being posted direct to their respective accounts, while the total sales are carried forward until the end of the week or month and then posted direct to the credit of Merchandise. The manner of making the entries in this book will be fully understood from an examination of the entries in the Sales Book of the Model Set.

---

### PURCHASE BOOK

**10.** The **Purchase Book** is the opposite of the Sales Book, being kept to record the purchases of all goods for the business. The entries are made the same as in the Sales Book, but the parties whose names appear are to be credited instead of debited, as in the Sales Book.

In posting from this book, the total footing for the week or month is posted to the debit of Merchandise and the different items are credited for the amounts appearing against them.

The advantage of this book is mainly the same as that of the Sales Book—it saves posting; it also gives a convenient place of reference for all the items bought, the price paid for them, and the party bought of. The manner of making these entries is shown in the Purchase Book of the Model Set.

---

### LEDGER

**11.** The **Ledger** used in this Section differs from those previously used by having both the debit and the credit money columns in the middle of the page. This reverses the arrangement of the credit side, which will perhaps make



its use a little awkward at first. The money columns being together is an advantage in ruling and balancing and seeing at a glance how the account stands as to the amount of sales, payments, and balance due.

12. When a Ledger page has been filled it is a good plan to place a check-mark at the top of the filled page, as shown

8

*E. S. Willis, inc. Lindisett*

May 1	2	9.37	9.37	2	2 May
4	1	29—	60.40		24
8		19.40			
19	3	12—			
		69.77	69.77		

FIG. 3

in Fig. 3, so that in turning the pages it will be quickly seen what pages are filled and closed.

## MODEL SET

13. **Retail Grain and Feed Business.**—The following transactions of a retail grain and feed business and the accompanying illustrations will show the manner of handling the books described. It should be understood that the feed business is selected to furnish transactions to illustrate the use of these books rather than that the set of books given is necessarily the best system for the business.

The transactions here given require, in addition to the books shown, the use of a Notes and Drafts Book, or that such information as it usually contains be recorded elsewhere. As this book was described in the previous Section, it will not be necessary to give it here, but for the sake of convenience the due dates of the notes received will be entered in the explanation column of a Notes Receivable account in the Ledger.

**INVENTORY**

ARTICLE	QUANTITY	COST	AMOUNT
Corn,	1200 lb.	1.20	14.40
Corn Meal,	900 "	1.20	10.80
Feed,	1000 "	1.20	12.00
Hay,	7 tons	14.50	101.50
Oatmeal,	225 lb.	.04	9.00
Oats,	24 bu.	.50	12.00
Shorts,	1400 lb.	1.20	16.80
Straw,	12 tons	10.00	120.00
			<u>296.50</u>

**PRICE LIST**

ARTICLE	QUANTITY	COST PRICE	SELLING PRICE
Bran,	100 lb.	1.20	1.60
Corn,	100 "	1.20	1.60
Corn Meal,	100 "	1.20	1.60
Feed,	100 "	1.20	1.60
Hay,	ton	14.50	17.00
Oil Cake,	100 lb.	1.50	2.00
Oil Meal,	100 "	1.50	2.00
Oatmeal,	lb.	.04	.05
Oats,	bu.	.50	.65
Shorts,	100 lb.	1.20	1.60
Straw,	ton	10.00	12.00

**TRANSACTIONS**

SCRANTON, PA., MAY 1, 190

E. T. Joyce and H. W. Morse have this day formed a copartnership for the purpose of conducting a Retail Grain and Feed Business at 212 State St.

The store room at the above place has been rented from J. D. Farrell, for one year, at \$85.00 per month, payable monthly in advance.

The style of the firm name is to be Joyce & Morse.

The losses and gains are to be shared equally.

The investments are as follows:

**E. T. JOYCE**

Cash,	1817.21
Notes Receivable, due June 6, George Smith,	100.00
“ “ “ “ 15, H. D. Clark,	50.00
Merchandise, as per inventory,	296.50

*Accounts due Joyce*

G. D. Collins, 917 Myrtle St.,	14.25	
E. S. Willis, 1015 Linden St.,	9.37	
H. M. Jones, 612 Jackson St.,	21.50	
A. S. Walker, 727 Gibson St.,	23.75	2332.58

*Accounts Joyce owes*

Lamb Bros., 825 Fulton St., New York,	141.30	
S. C. Williams & Co., 203 West St., New York,	182.50	323.80
E. T. Joyce's net investment,		2008.78

**H. W. MORSE**

Cash,	2000.00
-------	---------

Journal.

Enter cash items in Cash Book.

Post from the Journal to the Ledger.

Deposit cash and enter the amount in the Banking Ledger.

— 1 —

Paid to Lamb Bros., amount due, as shown by our books,  
\$141.30.

Cash Book.

Banking Ledger.

— 1 —

Paid to S. C. Williams & Co., amount due, as shown by  
books, \$182.50.

Cash Book.

Banking Ledger.

— 1 —

Paid to J. D. Farrell, for rent of store for month of May,  
\$85.00.

Cash Book. Debit Expense.

Banking Ledger.

## — 1 —

Received the following invoices for goods bought on account. Goods checked and found to be O. K.

S. C. Williams & Co.,

5 tons Hay,	14.50	72.50	
5 " Straw,	10.00	50.00	122.50

Purchase Book.

Lamb Bros.,

500 lb. Corn,	1.20	6.00	
75 bu. Oats,	.50	37.50	43.50

Purchase Book.

## — 2 —

Sold for cash,

$\frac{1}{2}$ ton Straw,	12.00	6.00	
50 lb. Corn Meal	1.60	.80	
75 " Corn,	1.60	1.20	8.00

Credit Merchandise in Cash Book, placing the amount in the second column.

Hold for deposit.

## — 2 —

Received cash from G. D. Collins, to cover balance due May 1, \$14.25.

Cash Book entry.

Hold for deposit.

## — 2 —

Received cash from E. S. Willis, to cover balance due May 1, \$9.37.

Cash Book.

Deposit day's receipts and enter in Banking Ledger.

## — 2 —

Bought from H. F. Smith, 304 Barclay St., New York, on account,

500 lb. Bran,	1.20	6.00	
500 " Feed,	1.20	6.00	
500 " Shorts,	1.20	6.00	18.00

Purchase Book.

## — 2 —

Bought from W. E. Taft, 609 East St., New York, on account,

500 lb. Corn Meal,	1.20	6.00	
250 " Oatmeal,	.04	10.00	16.00

Purchase Book.

## — 3 —

Sold to G. D. Collins, on account,

1 ton Hay,	17.00		
10 bu. Oats,	.65	6.50	
100 lb. Feed,	1.60	25.10	

Order Book.

Sales Book. Debit Collins.

## — 3 —

Sold for cash,

1 ton Hay,	17.00		
5 bu. Oats,	.65	3.25	
150 lb. Feed,	1.60	2.40	22.65

Cash Book.

Banking Ledger.

## — 4 —

Sold to E. S. Willis, on account,

1 ton Hay,	17.00		
1 " Straw,	12.00	29.00	

Order Book.

Sales Book.

## — 4 —

Sold to H. M. Jones, on account,

100 lb. Bran,	1.60		
50 " Shorts,	1.60	.80	
5 bu. Oats,	.65	3.25	5.65

Order Book.

Sales Book.

## — 4 —

Sold for cash,

50 lb. Oatmeal,	.05	2.50	
50 " Corn Meal,	1.60	.80	
100 " Shorts,		1.60	
$\frac{1}{2}$ ton Straw,	12.00	6.00	10.90

Cash Book.

Banking Ledger.

## — 5 —

Sold to A. S. Walker, on account,

25 lb. Corn Meal,	1.60	.40	
25 " Oatmeal,	.05	1.25	1.65

Order Book.

Sales Book.

## — 5 —

Sold for cash,

150 lb. Bran,	1.60	2.40	
125 " Corn,	1.60	2.00	
50 " Oatmeal,	.05	2.50	6.90

Cash Book.

Hold for deposit.

## — 5 —

Received cash from H. M. Jones, for balance due May 1,  
\$21.50.

Cash Book.

Deposit day's receipts and enter in Banking Ledger.

## — 7 —

Sold to E. T. Joyce, 1212 Jefferson Ave., on account,  
 $1\frac{1}{2}$  tons Hay, 17.00 25.50

Order Book.

Sales Book. Debit Joyce. See Art. 1.

## — 7 —

Sold to D. I. Easton, 804 River St., on account,

150 lb. Corn,	1.60	2.40	
100 " Shorts,		1.60	
250 " Feed,	1.60	4.00	
10 bu. Oats,	.65	6.50	14.50

Order Book.

Sales Book.

## — 7 —

Sold to J. T. Harris, 506 Eynon St., on account,

2½ tons Straw,	12.00	30.00	
25 bu. Oats,	.65	16.25	46.25

Order Book.

Sales Book.

## — 8 —

Sold for cash,

½ ton Hay,	17.00	8.50	
½ " Straw,	12.00	6.00	14.50

Cash Book.

Hold for deposit.

## — 8 —

Received cash from G. D. Collins for bill of May 3, \$25.10.

Cash Book.

Deposit day's receipts and enter in Banking Ledger.

## — 8 —

Sold to E. S. Willis, on account,

150 lb. Corn,	1.60	2.40	
20 bu. Oats,	.65	13.00	
250 lb. Bran,	1.60	4.00	19.40

Order Book.

Sales Book.

## — 9 —

Sold to H. M. Jones, on account,

300 lb. Corn Meal,	1.60	4.80	
--------------------	------	------	--

Order Book.

Sales Book.

— 9 —

A. S. Walker paid balance due May 1, \$23.75.

Cash Book.

Banking Ledger.

— 10 —

Bought from S. C. Williams &amp; Co., on account,

5 tons Hay,	14.50	72.50	
3 " Straw,	10.00	30.00	102.50

Purchase Book.

— 10 —

Bought from Lamb Bros., on account,

500 lb. Corn,	1.20	6.00	
50 bu. Oats,	.50	25.00	31.00

Purchase Book.

— 10 —

Sold for cash,

25 lb. Corn Meal,	1.60	.40	
125 " Oatmeal,	.05	6.25	6.65

Cash Book.

Banking Ledger.

— 11 —

Sold to G. D. Collins, on account,

150 lb. Corn,	1.60	2.40	
25 bu. Oats,	.65	16.25	18.65

Order Book.

Sales Book.

— 12 —

Sold for cash,

150 lb. Corn Meal,	1.60	2.40	
5 bu. Oats,	.65	3.25	
$\frac{1}{2}$ ton Hay,	17.00	8.50	14.15

Cash Book.

Banking Ledger.

— 12 —

Sold to J. T. Harris, on account,

1 ton Hay,	17.00
------------	-------

Order Book.

Sales Book.



— 14 —

Sold to D. I. Easton, on account,  
                   2 tons Hay,      17.00      34.00

Order Book.

Sales Book.

— 14 —

Sold to A. S. Walker, on account,  
                   100 lb. Corn Meal,      1.60  
                   3 bu. Oats,      .65      1.95  
                   100 lb. Corn,      1.60      5.15

Order Book.

Sales Book.

— 14 —

Paid S. C. Williams & Co., for their invoice of the 1st,  
 \$122.50.

Cash Book.

Banking Ledger.

— 15 —

Sold to John Rogers & Co., 115 Ninth St., on account,  
                   1 ton Hay,      17.00

Order Book.

Sales Book.

— 15 —

Received cash from D. I. Easton, on account, \$25.00.

Cash Book.

Banking Ledger.

— 15 —

Bought from H. F. Smith, on account,  
                   500 lb. Oil Meal,    1.50      7.50  
                   500 " Oil Cake    1.50      7.50    15.00

Purchase Book.

— 15 —

Bought from W. E. Taft, on account,  
                   500 lb. Corn Meal,    1.20      6.00  
                   150 " Oatmeal,      .04      6.00    12.00

Purchase Book.

## — 16 —

Sold to H. E. March, 239 Elm St., on account,

5 bu. Oats,	.65	3.25	
1 ton Hay,	17.00	20.25	

Order Book.

Sales Book.

## — 17 —

Sold to H. M. Jones, on account,

100 lb. Oil Meal,		2.00	
100 " " Cake,		2.00	
200. " Corn Meal,	1.60	3.20	7.20

Order Book.

Sales Book.

## — 18 —

Sold for cash,

$\frac{1}{2}$ ton Hay,	17.00	8.50	
1 " Straw,		12.00	
2 bu. Oats,	.65	1.30	
50 lb. Corn,	1.60	.80	22.60

Cash Book.

Hold for deposit.

## — 18 —

Received cash from John Rogers & Co., for bill of the 15th, \$17.00.

Cash Book.

Deposit day's receipts and enter in Banking Ledger.

## — 19 —

Sold for cash,

1 ton Straw,		12.00	
200 lb. Corn,	1.60	3.20	
10 bu. Oats,	.65	6.50	21.70

Cash Book.

Hold for deposit.

## — 19 —

Sold to E. S. Willis, on account,

1 ton Straw,	12.00
--------------	-------

Order Book.

Sales Book.

— 19 —

Received cash from J. T. Harris, for bills of the 7th and 12th, \$63.25.

Cash Book.

Deposit day's receipts and enter in Banking Ledger.

— 21 —

Sold to John Rogers & Co., on account,

150 lb. Oil Meal,	2.00	3.00	
150 " " Cake,	2.00	3.00	
350 " Corn Meal,	1.60	5.60	11.60

Order Book.

Sales Book.

— 21 —

Bought from H. F. Smith, on account,

500 lb. Feed,	1.20	6.00
---------------	------	------

Purchase Book.

— 21 —

Bought from W. E. Taft, on account,

350 lb. Corn Meal,	1.20	4.20
--------------------	------	------

Purchase Book.

— 21 —

Bought from S. C. Williams & Co., on account,

8 tons Hay,	14.50	116.00	
5 " Straw,	10.00	50.00	166.00

Purchase Book.

— 21 —

Paid S. C. Williams & Co., for their invoice of the 10th, \$102.50.

Cash Book.

Banking Ledger.

— 23 —

Sold to D. I. Easton, on account,

200 lb. Feed,	1.60	3.20	
1½ tons Hay,	17.00	25.50	28.70

Order Book.

Sales Book.

— 24 —

Received from E. S. Willis, cash to cover amount due,  
\$60.40.

Cash Book.

Banking Ledger.

— 25 —

Sold to G. D. Collins, on account,

1 ton Straw,	12.00		
10 bu. Oats, .65	6.50	18.50	

Order Book.

Sales Book.

— 25 —

Bought from Lamb Bros., on account,

25 bu. Oats, .50	12.50		
500 lb. Corn, 1.20	6.00	18.50	

Purchase Book.

— 26 —

Sold to A. S. Walker, on account,

50 lb. Oatmeal, .05	2.50		
50 " Corn Meal, 1.60	.80	3.30	

Order Book.

Sales Book.

— 26 —

Sold to E. T. Joyce, on account,

1 ton Hay,	17.00		
------------	-------	--	--

Order Book.

Sales Book. Debit personal account.

— 26 —

Paid W. E. Taft, for invoices of the 2d and 15th, \$28.00.

Cash Book.

Banking Ledger.

— 28 —

Sold to H. E. March, on account,

5 bu. Oats, .65	3.25		
100 lb. Feed,	1.60		
50 " Oil Meal, 2.00	1.00	5.85	

Order Book.

Sales Book.

— 28 —

Sold to J. T. Harris, on account,  
1 ton Straw, 12.00

Order Book.

Sales Book.

— 28 —

Sold to John Rogers & Co., on account,  
2 tons Hay, 17.00 34.00

Order Book.

Sales Book.

— 30 —

Received a 60-day note from John Rogers & Co., for our  
bills of the 21st and 28th, \$45.60.

Journal.

— 30 —

Sold to H. W. Morse, 912 Monroe Ave., on account,  
150 lb. Feed, 1.60 2.40  
2 bu. Oats, .65 1.30  
100 lb. Corn, 1.60 5.30

Order Book.

Sales Book. Debit personal account.

— 30 —

Paid S. C. Williams & Co., for invoice of 21st, \$166.00.

Cash Book.

Banking Ledger.

— 30 —

Received cash from E. T. Joyce, to close account, \$42.50.

Cash Book. Credit personal account.

Banking Ledger.

— 31 —

Paid P. J. McGann, bill for cartage for the month, \$11.75.

Cash Book. Debit Expense.

Banking Ledger.

— 31 —

Paid freight bills for the month, \$46.32.

Cash Book. Debit Expense.

Banking Ledger.

— 31 —

Paid salaries for the month,

Two clerks, 95.00

Warehouseman, 35.00 130.00

Cash Book. Debit Expense.

Banking Ledger.

— 31 —

Rule date lines in books.

Balance and rule Cash Book and Banking Ledger.

Post to the Ledger; from the Journal first, then from the Purchase Book, Sales Book, and Cash Book.

Take a Trial Balance. (Notice that this is a balance of totals of accounts.)

Take an inventory. (In this case use the figures given in the accompanying inventory.)

Close the books.

## INVENTORY

ARTICLE	QUANTITY	COST	AMOUNT
Corn,	1600 lb.	1.20	19.20
Corn Meal,	950 "	1.20	11.40
Feed,	1050 "	1.20	12.60
Hay,	9½ tons	14.50	137.75
Oil Cake,	250 lb.	1.50	3.75
Oil Meal,	200 "	1.50	3.00
Oatmeal,	325 "	.04	13.00
Oats,	32 bu.	.50	16.00
Shorts,	1650 lb.	1.20	19.80
Straw,	15 tons	10.00	150.00
			<u>386.50</u>

JOURNAL

2

Sacramento, Cal., May 1, 190

E. T. Joyce and H. W. Morse have this day formed a co-partnership for the purpose of conducting a Retail Grain and Feed Business at Gratiot. It is a store rented from J. D. Farrell, for one year, at \$5. per month, payable in advance.

The style of the firm name is to be Joyce & Morse.

The losses and gains are to be shared equally.

The investments are as follows:

E. T. Joyce.

1	Cash,	1817.21	
2	Notes Receivable, Geo. Smith, due June 1,	100.00	
3	" " H. D. Gash, " " 15,	50.00	
6	Merchandise, inventory,	246.50	
7	J. D. Collins, 917 Myrtle St., owed,	142.50	
8	E. A. Willis, 1015 Linden St., "	9.37	
9	H. M. Jones, 412 Jackson St., "	21.50	
10	A. S. Walker, 727 Gibson St., "	23.75	
13	Lamb Bros., 115 Fulton St., St. Louis,	141.30	
14	E. C. Williams Co., 222 West 10th St., " "	182.50	
1	E. T. Joyce, net investment,	2005.75	

H. W. Morse.

1	Cash,	2000.00	
4	H. W. Morse, net investment,	2000.00	
3	Notes Receivable,	456.00	
16	John Rogers & Co.,	456.00	

Notes at 60 days for bills of 21 & 25.













**SALES BOOK**

**1**

Scranton, Pa. May 3, 190

7	G. D. Collins,	917 Myrtle St.	25.10
	1 ton Hay,	17-	
	10 bu. Oats,	65, 6.50	
	100 lb. Feed,	1.65	
	4		
1	E. L. Willis,	1015 Linden St.	29-
	1 ton Hay,	17-	
	1 " Straw,	12-	
	4		
9	H. M. Jones,	612 Jackson St.	5.65
	100 lb. Bran,	1.60	
	50 " Shorts,	1.60, 50	
	5 " Oats,	65, 3.25	
	5		
10	A. S. Walker,	727 Gibson St.	1.65
	25 lb. Corn Meal,	1.60, 40	
	25 " Oatmeal,	65, 1.25	
	7		
2	E. T. Joyce,	1212 Jefferson Ave.	25.50
	15 tons Hay,	17-25.50	
	7		
11	D. L. Easton,	rev River St.	14.50
	150 lb. Corn,	1.60, 2.40	
	100 " Shorts,	1.60	
	250 " Feed,	1.60, 4-	
	10 bu. Oats,	65, 6.50	
	7		
12	J. T. Harris,	506 Exmouth St.	46.25
	2 1/2 tons Straw,	12.00, 30-	
	20 " Oats,	65, 12.25	
	7		
1	E. L. Willis,		19.40
	150 lb. Corn,	1.60, 2.40	
	20 bu. Oats,	65, 12-	
	250 lb. Bran,	1.60, 4-	
	9		
9	H. M. Jones,		4.50
	300 lb. Corn Meal,	1.60, 4.50	
			171.85

May 11, 190

			171.55		
7	G. L. Collins,		186.5		
	150 lb. Corn,	1.60, 2.40			
	25 bu. Oats,	65, 16.25			
	12				
12	J. T. Harris,		17-		
	1 ton Hay,	17-			
	14				
11	D. L. Easton,		34-		
	2 tons Hay,	17-, 34-			
	14				
10	A. S. Walker,		51.5		
	100 lb. Corn Meal,	1.60			
	3 bu. Oats,	65, 1.95			
	100 lb. Corn,	1.60			
	15				
16	John Rogers & Co.,	115 North St.,	17-		
	1 ton Hay,	17-			
	16				
17	H. E. March,	239 Elm St.,	202.5		
	5 bu. Oats,	65, 3.25			
	1 ton Hay,	17-			
	17				
9	H. M. Jones,		72.0		
	100 lb. Oil Meal,	2-			
	100 " " " " "	2-			
	200 " Corn Meal,	1.60, 3.20			
	19				
5	E. L. Willis,		12-		
	1 ton Hay,	12-			
	21				
12	John Rogers & Co.,		116.0		
	150 lb. Oil Meal,	2-, 3-			
	150 " " " " "	2-, 3-			
	350 " Corn Meal,	1.60, 5.60			
	23				
11	D. L. Easton,		257.0		
	200 lb. Feed,	1.60, 3.20			
	1 1/2 tons Hay,	17-, 25.50			
			343.40		



## CASH BOOK

2

*Cash*

		Cash Sales	
May 1	Investment,	3517.21	
2	Cash sales,		5—
7	G. D. Hollins,	balance due,	142.50
8	C. E. Walker,	" "	9.37
3	Cash sales,		22.65
4	" "		10.90
5	" "		6.90
9	H. M. Jones,	bal due May 1,	21.50
10	Cash sales,		14.50
7	G. D. Hollins,	bill of May 3,	25.10
9	C. E. Walker,	bal May 1,	23.75
10	Cash sales,		6.65
12	" "		14.15
15	D. L. Easton,	on account,	25—
15	Cash sales,		22.60
16	John Rogers & Co,	bill of 15th,	17—
19	Cash sales,		21.70
12	J. T. Harris,	bills of 7 & 12th,	63.25
20	L. L. Hillis,	in full,	60.40
22	T. J. Jones,	" "	42.50
31	Merchandise,	cash sale for month,	120.05
			4247.35
June 1	Balance,	3251.51	



CASH BOOK

2

*Cash*

			Expense	
May 13	Lamb Bros.	in full to date	141.30	
14	J. C. Williams & Co.	" " "	152.50	
✓	Expense,	one month's rent		55 —
14	J. C. Williams & Co.	invoice of 1 st	122.50	
21	"	" " 10th	162.50	
26	H. E. Tapp.	" " 24th	28 —	
30	J. C. Williams & Co.	" " 21st	166 —	
31	✓ Expense,	carriage for month		11.75
✓	"	freight " "		46.32
✓	"	salaries " "		130 —
19	Expense,	items for month	275.07	
	Balance,		3291.51	
			4247.35	

## BANKING LEDGER

M Joyce & Mosser

IN ACCOUNT WITH

## INTERNATIONAL CORRESPONDENCE SCHOOLS BANK

190	Date	From Whom Received	Deposits Made	Total Deposits	190	Date	To	Checks
May	1	Investment		3217.21	May	1		1 141.30
	2	Cash sales	8 —			2		2 182.50
		Geo. Collins	14.25			3		3 85 —
		Ed. Willis	9.37	31.62	14	4		4 122.50
	3	Cash sales		22.65	21	5		5 102.50
	4	" "		10.90	26	6		6 25 —
	5	" "	6.90		10	7		7 166 —
		H. Jones	21.50	20.40	31	8		8 117.5
	6	Cash sales	14.50			9		9 46.22
		Geo. Collins	25.10	39.50		10		10 130 —
	7	Ed. Walker		23.75			Bal.	2331.51
	10	Cash sales		6.65				
	12	" "		14.05				
	15	D. O. Gaston		25 —				
	16	Cash sales	22.60					
		Geo. Davis	17 —	39.50				
	17	Cash sales	21.70					
		J. T. Harris	62.25	84.25				
	20	Ed. Willis		60.40				
	30	Ed. Joyce		42.50				
				4247.35				4247.35

## LEDGER

1

*E. T. Joyce, Stock.*

May 31	Dr. Cr.	20	8544200578	2	1 May
			1922.34		
			200578	200578	
			1922.34		Pres. Worth, 1 June

2

*E. T. Joyce, Personal.*

May 7		1	2550	4250	2	30 May
26		5	17-			

3

*Notes Receivable.*

May 1	Dr. Cr.	2	100-							
" 15			50-							
30	"	July 30	4560							

4

*A. W. Morse, Stock.*

May 31	Dr. Cr.	20	85432000-	2	1 May
			1914.57		
			2000-	2000-	
			1914.57		Pres. Worth, 1 June

5

*H. W. Morse, Personal.*

[illegible]

6

Merchandise

190				190	
May 1	2	296.50	439.35 5	31 May	
31	3	555.20	125.05 2	31	
	20	10220	356.50	Invt.	31
		953.90	953.90		
June 1 Invt.		356.50			

7

G. D. Collins, 917 Myrtle St.

[illegible]

8

E. S. Willis & Co. Linderoth

[illegible]

9

[illegible]

10

[illegible]

11

[illegible]

12

[illegible]





### Trial Balance, May 31, 1900

1 Cash,	3231.51	
1 E. T. Joyce, Stock,		2000.75
3 Notes Receivable,	195.60	
4 H. W. Morse, Stock,		2000.00
5 H. W. Morse, Personal,	530	
6 Merchandise,	851.70	567.40
7 J. D. Hollins,	76.50	39.35
9 H. M. Jones,	39.15	21.50
10 C. D. Walker,	33.85	23.75
11 D. F. Gaston,	77.20	25.00
12 J. T. Harris,	75.25	63.25
13 Lamb Bros.,	141.30	234.80
15 H. F. Smith,		37.00
17 H. E. March,	26.10	
18 W. O. Taft,	25.00	32.20
19 Expenses,	273.07	
	5054.53	5054.53

### Proprietors' Statement, May 31, 1900

E. T. Joyce	
Invested,	2000.75
1/2 Ret. Losses,	85.44
Present Worth,	1915.31
H. W. Morse	
Invested,	2000.00
1/2 Ret. Losses,	85.44
Present Worth,	1914.57
Firm's Present Worth,	
	3829.91







# DOUBLE-ENTRY BOOKKEEPING

(PART 3)

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## WHOLESALE MEAT BUSINESS

**1. Introduction.**—In this Section will be shown the manner of opening and closing partnership books and keeping accounts for a wholesale meat business; also, how books not given in previous Sections are handled. The books used will be a combined Purchase Book and Journal, an Order-Sheet Sales Book, Cash Book with special columns, and a Card Ledger. Some methods not previously used will also be explained.

---

## BOOKS

---

### PURCHASE BOOK AND JOURNAL

**2. The principal use of the combined Purchase Book and Journal** is for the entering of purchases on account. (See Purchase Book and Journal of the Model Set.) The parties bought of are credited and the amounts entered in the Sundries column on the right-hand side of the book. The amount of each kind of goods bought is entered in the columns on the left-hand side and the sum of the columns posted to the debit of Merchandise at the end of each week or month. If goods are bought for which there is no special column, the debit entry must be made in the Sundries column on the left-hand side of the book and these items posted separately to the debit of Merchandise. The folio column on the left-hand side of the explanation column is for the Ledger page of the account to be debited, and that

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on the right-hand side for the page of the account to be credited. But one of these columns is used in the book shown in the Model Set, for the reason that the reduced size does not allow of placing the name of both the debit and the credit account on one line, which would be done in the actual book.

This book is also used as a Journal, and any transactions that would properly go into a Journal should be entered in this book, using the Sundries columns for the amounts.

### SALES BOOK

3. The use of order sheets as a Sales Book saves copying the bills into a Sales Book and gives a complete record.

Orders coming in by telegraph, letter, telephone, or otherwise should be written out on order blanks of uniform size; more than one order may be written on a sheet if desired.

*The Lackawanna Packing Company*

No. _____		Date <u>1</u> _____					
190	Order Blank Sheet	Ratio	Articles	Weight	Price		Totals
June 22	K	19	P. J. Collins, 416 Market St.				
	✓		222 1/2 Hinds	110	7 1/2	\$ 25	
	✓		27 1/2 Side Beef	225	8 1/2	19 50	
	✓		Pork Loins	195	11 1/2	22 77	49 50
	✓	20	W. Martin Campbell, 121 Jackson St.				
	✓		2 Rounds	160	9	14 40	
	✓		2 Ribs	52	12	9 00	24 20
							79 52

FIG. 1

The form shown in Fig. 1 is commonly used by large houses. The holes at the left-hand end are for use in filing the sheets on post binders. When the sheets are filled out, they are placed on a binder for unfilled orders and sent to the shipping room. As the items of an order are packed, the shipping clerk checks them off, usually with his initial, and returns the sheet to the office.

Bills are made out from these sheets, which are then filed on another binder in the order of the shipment, and the items posted to the Ledger. The sum of the items so posted must be posted daily, weekly, or monthly to the credit side of Merchandise account, in order to keep the Ledger in balance and also to show how much merchandise has been sold on account.

---

#### CASH BOOK

4. The **Cash Book** used in this Section has special columns for Merchandise. (See Cash Book of the Model Set.) All amounts of cash received and paid out, except for merchandise, should be entered in the Sundries column of the proper side, and the items of cash received or paid out for merchandise in the Merchandise column. At the end of each week or month the footings of the Merchandise columns should be posted to the proper sides of the Merchandise account. The items that appear in the Sundries column only must be posted separately to the proper sides of the accounts to which they belong. Note carefully how this form of Cash Book is balanced, footed, and ruled.

---

#### CARD LEDGER

5. The advantages of the card-index system, used as a Ledger in place of a book, have led to its adoption by many of the most progressive business houses in the country. Briefly stated, the advantages are:

*First.*—The separation of closed from open accounts, the closed accounts being kept in a separate drawer or cabinet, or in transfer cases, and replaced among the live accounts in the event that they are reopened.

*Second.*—Accounts are kept together—not mixed promiscuously with other accounts, as in a book—and a number once assigned to an account is never given to another. When one card fills up, the account is continued on another, and the filled cards filed together in the drawer or transfer case for closed accounts, where they can be quickly and easily referred to.

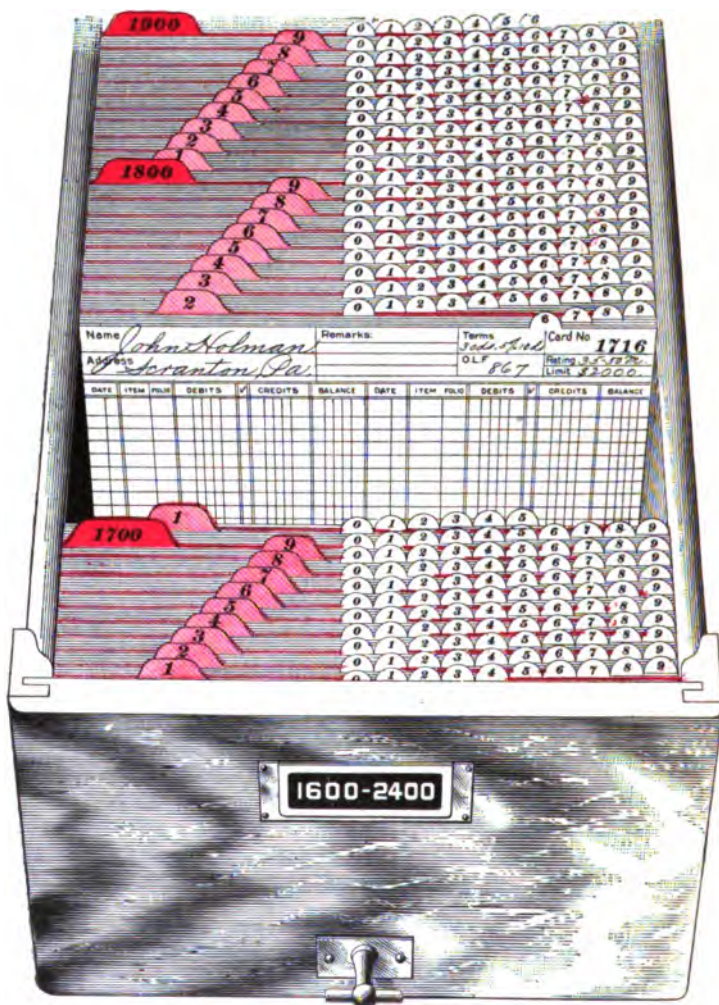


FIG. 2

*Third.*—Reference is quicker, both on account of the minute classification possible, and on account of the Ledger being unencumbered by dead matter.

*Fourth.*—In taking off trial balances, half the time is saved, as it is only necessary to work from the active accounts.

*Fifth.*—In making out statements, several can work on the accounts at one time, thus making it possible to get statements out promptly each month.

*Sixth.*—In the event that any legal question arises, and the Ledger accounts are to be admitted as evidence, the card or cards containing same may be produced in court without interfering with the bookkeeper's work on the balance of the Ledger.

An objection that has been raised against the adoption of the Card Ledger, as commonly understood, is that it would take longer to find the cards when posting than it would to find the accounts in the ledger. This objection has been entirely overcome by a method of indexing the cards, as shown in Fig. 2, from which it will be seen that, in looking for a card, it is only necessary to handle the exact card wanted, as it can be picked out without reference to any others in the drawer.

The cards are divided into groups of one hundred. These are again subdivided into groups of ten. The guide cards shown at the left of the illustration indicate the groups of one hundred; those immediately to the right of these, and numbered from 1 to 9, indicate the groups of ten, while the cards themselves bear tabs numbered from 0 to 9. For example, if card 1716 were wanted, it would be found back of the general guide card 1700 and also back of the guide 1 card (the 1 being the guide for the tens), while the tab 6 (6 indicating the unit) would locate the card instantly.

In opening a new account, a card with the tab having the number indicated by the unit figure of the next consecutive account would be used. For instance, if the next account to be opened were 1898, it would have to be opened on a card with the tab 8, and the card would then be placed among the

100 cards back of the guide 1800, and in that particular group of tens indicated by the guide 9.

Another feature of the Card Ledger to which especial attention is called, is that, even though the removal of closed accounts may leave but one card in some of the groups of tens, such cards can be instantly located, as the guide cards indicating the groups of hundreds, as well as those indicating the tens, are always in sight.

When accounts are kept numerically, an index to customers' account numbers is obtained by using a card index with ordinary size record cards on which the name, address, rating, account number, etc. are entered, these cards being filed between alphabetically subdivided guide cards.

The same latitude as to the arrangement of the cards in the Card Ledger can be had as in any other form of the card index. When it is not desired to file the cards numerically, using a separate alphabetical index for names, they may be filed either alphabetically by name, alphabetically by towns, or by states and towns. If any other than a numerical arrangement is followed, cards without the printed tabs are used.

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### METHODS

**6. Consignments.**—Goods received by a party to sell on commission are called **consignments**. In the Ledger, consignment accounts are headed "Consignment No. . . . from . . . . . ." Each consignment is charged with any expense for freight, cartage, storage, insurance, etc. at the time such expense is incurred.

Concerns doing much commission business use specially ruled books in which to keep account of the kinds and qualities of goods received and sold on each consignment. Where but an occasional consignment is received, the plan illustrated in the Journal and the Card Ledger of this Section is a good one. (See Ledger Card No. 16 of the Model Set.) When a consignment is received, an itemized entry, without prices, is made in the Journal. There is, of course, no dollars and cents to post from such an entry, but the date and items of



the entry should be entered on the Ledger account, the date in the date column and the items in the explanation column; the number of the card is entered in the folio column in the Journal.

Whenever sales are made from a consignment, the items of the sale should be entered in the explanation column of the Ledger account. By following this plan, the amount of each kind of goods remaining on hand from any consignment can always be told by referring to the explanation column of the Ledger account.

When all the goods have been sold, the difference between the gross proceeds and the charges, or net proceeds as it is called, must be sent to the party sending the consignment. The only profit a commission man makes on a consignment is his commission.

**7. Shipments.**—It frequently happens that some of the goods on hand will not be sold as rapidly as they should be, and in order to dispose of them quickly (and perhaps to better advantage), they are sent to some one else to be sold on commission. Goods sent in this way to others are called, by the sender, **shipments**.

The merchandise sent is usually charged to the shipment at cost. Bills are seldom sent with the goods, as it makes no difference to the party selling them what they cost the shipper. He must sell at the price given him, or at the best price he can get. As the amount of his commission depends on the amount of the sale, it is to his interest to get the best price he can.

A shipment of goods sent to a party to sell on commission is not a sale, and therefore cannot be charged to the party receiving it. To distinguish such shipments from regular sales, and from one another, each is given a number, charging them to "Shipment No. . . . to . . . ." Each shipment is charged for all the goods and for expenses, and credited for what it produces.

**8. Rebates** allowed on merchandise returned to us should not be charged to Merchandise account, but to a

Name Merchandise

Address \_\_\_\_\_

Remarks

Terms

O.L.F.

Card No. **4**

Rating  
Limit

190		DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 16		30	S	2			162 -								
		30		3	191.894										
		30	S	11			1532.75								
		30	C.	2			30 -								
		30	S	5	2277		27 -								
		30	S	5	33 -		500.60								
		30	S	5	2776.4										
		30	S	5	500.60										
		30	S	5	500.60										

FIG. 3



Merchandise Return and Rebate account. Merchandise returned by us should be credited to the same account. This is done so that the Merchandise account will show the true amount of merchandise bought and sold. When the books are closed, the debit of the Merchandise Return and Rebate account should be transferred to the debit of Merchandise account, and the credit to the credit of Merchandise account. Merchandise account is then closed in the regular way.

**9. Single-Line Ruling.**—In many offices where the pressure of work is very great, a system of single-line ruling for the Ledger has been adopted, as shown in Fig. 3. This, of course, saves some time and there is no valid objection to its use. It would not, however, be advisable for a bookkeeper to adopt it without consulting his employer.

**10. Checking Off Paid Items.**—Some bookkeepers find it a good plan to check off the debit items of customers' accounts as fast as paid. A check-mark placed in the narrow column next to the charge, as shown in Fig. 4, is used for this purpose. By adopting this scheme, it can be told at a glance what items of an account remain unpaid.

**11. Figure Slips.**—It is a common thing to see a bookkeeper's desk littered with scraps of paper and figuring pads having the figures of several computations on them. This should not be so. Whenever a computation has been

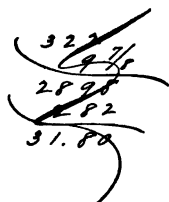


FIG. 5

made, the figures should be crossed off, as shown in Fig. 5, and the paper thrown into the waste basket. If, however, there are several computations on one sheet and it is desired to retain one of them, all the others should be crossed off, so that there will be no liability of taking the wrong figures. This may seem a simple matter, but after a book-

keeper has been obliged to hunt up errors caused by using figures that should have been thrown away, he will place a high value on this practice.

**12. Doubtful Accounts and Notes.**—At the end of each business period the Ledger and Notes and Drafts Book should be gone over carefully to see what accounts and notes, if any, are considered wholly or in part doubtful. It would not be wise to carry doubtful accounts and notes as a resource, so they are charged off before making out the Statement of the Business and closing the books.

Some business houses close doubtful accounts, in red ink, direct to Loss and Gain, and transfer the closing entry to that account. A better way would be to use an account called Doubtful Accounts and Notes, which account can be closed later to Loss and Gain. Such accounts as are decided to be doubtful should be balanced by the red-ink entry, "By Doubtful Accounts and Notes," but in place of this closing entry being transferred direct to the Doubtful Accounts and Notes account, an entry should be made in the Journal debiting Doubtful Accounts and Notes and crediting each account considered doubtful.

The red-ink balancing entry on each of the personal accounts takes the place of the posting entry from the Journal. The sum of these credits must be posted to the debit of Doubtful Accounts and Notes account. This may be done in a lump sum, but it is better to post each item separately and give in the explanation column the name of the account from which the item came. Accounts of which parts are considered uncollectable should be treated as above for the amount thought doubtful.

If, after the entirely doubtful accounts have been closed, a payment is received on them, it is credited to Doubtful Accounts and Notes account, and a memorandum made in the explanation column showing what account the item came from.

If payment is received on an account of which a part has been charged off as doubtful, such payment is credited to the account itself until the amount shown by it as due is paid; then the other payments are credited to the Doubtful Accounts and Notes account.

Notes Receivable are treated the same as above, also notes or accounts in an attorney's hands for collection.

**DISCOUNT**

**13. Discount on Bills.**—It is a custom in many business houses to allow a certain discount if bills are paid within a stated number of days from their date. For instance, if goods are sold at a certain price on 30 days' time, a discount of 2 per cent. is allowed if they are paid for within 10 days. The account of the party buying the goods is of course debited for the full amount of the bill, because it is not known whether the bill will be paid in time to get the benefit of the discount. If the bill is paid before the 10 days have expired, then the cash received is less than the face of the bill. The party must, however, be credited on the debit side of the Cash Book as having paid the bill in full, and on the credit side of the Cash Book, Discount is debited for the 2 per cent. deducted.

If advantage is taken of the cash discount by paying for goods within the time limit, then Cash must be credited for the amount paid and Discount with the amount saved. If the party bought of has been credited for the amount of the invoice, then he must be debited in the Cash Book for this amount and Discount credited for the amount deducted as discount.

**14. Discount of Notes.**—It sometimes happens that it is desirable to turn into cash some of the notes receivable that may be on hand. A bank will buy these notes, from parties in good standing, at a discount equal to the interest on the face of the note from the time it is sold until it is due.

Notes must always be entered on the books at their face value; therefore, if a note is discounted, Cash must be debited and Notes Receivable credited for the face of the note. This debits Cash for more than is actually received, so another entry must be made debiting Interest and crediting Cash for the sum paid the bank.

The items of interest and discount on notes, bills, invoices, etc. are generally handled in the Ledger under the heading of Interest and Discount.

When enough notes, either receivable or payable, or both, are carried so that the accrued interest on them amounts to any considerable sum, this amount should be taken into account when closing the books. If desired, an Accrued Interest account may be opened and the inventories of interest receivable and payable entered on it, so that these resources and liabilities will be shown the same as all others.

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### MODEL SET

**15. Wholesale Meat Business.**—In this Model Set we shall carry on a wholesale meat business, using practically the same books and following the methods of the branch houses of such large meat companies as Armour, Morris, Cudahy, and others. Of course, the complete bookkeeping system in such branch houses is not given here, for it is not so much the intention to teach special systems as it is to give a basis for the application of bookkeeping principles to various office systems.

Particular attention should be given to the uses of the various columns of the Purchase Book and Journal. It should also be borne in mind that in actual business the form of the Sales Book used would be separate sheets filed in the order of dates.

The business will be carried on under the name of The Lackawanna Packing Company. This is not an incorporated company, but a partnership doing business under this name.

The following transactions will illustrate the use of the books explained and the manner of entering the accounts of a wholesale meat business.

The goods are bought and sold at the prices quoted in each transaction; therefore, it will not be necessary to give a price list in this instance.

It will be understood that where, in these transactions, a deduction is made from the gross weight, it is for tare. Where the character # precedes figures, it indicates the tag number placed on the goods before they leave the packing house.

## TRANSACTIONS

SCRANTON, PA., JUNE 1, 190

A copartnership has this day been formed between Frank L. Cooper and James T. Wilson for the purpose of carrying on a wholesale meat business under the firm name of The Lackawanna Packing Company.

Frank L. Cooper invests in the business the

building at 213 Cliff St., valued at 3000.00

James T. Wilson invests cash, 3000.00

The gains or losses are to be shared equally.

Journal.

Cash Book.

— 1 —

Bought the following goods on account. Invoices checked and found to be O. K.

Armour & Co.,

# 22	1 Hind,	110 lb.	.06 $\frac{1}{2}$	6.88	
# 18	1 "	104 "	.07 $\frac{1}{2}$	7.80	
# 27	1 "	95 "	.06 $\frac{1}{2}$	6.18	
# 7	2 "	215 "	.06 $\frac{3}{4}$	14.51	
# 5	2 "	272 "	.06 $\frac{3}{4}$	18.36	
# 7	1 Side Beef,	225 "	.06	13.50	
# 18	1 " "	221 "	.05 $\frac{7}{8}$	12.98	
	Pork Loins,	198 "	.09 $\frac{7}{8}$	19.55	99.76

Purchase Book. Credit Armour & Co., and debit Merchandise.

Cudahy & Co.,

2 Rounds,	160 lb.	.07 $\frac{1}{2}$	12.00	
2 Ribs,	82 "	.10	8.20	
1 Side Beef,	275 "	.08 $\frac{1}{2}$	22.34	
1 Steer,	422 "	.07	29.54	
1 "	474 "	.06 $\frac{3}{4}$	32.00	
1 "	423 "	.06 $\frac{3}{4}$	28.55	
Pork Loins,	99 "	.10	9.90	142.53

Purchase Book.



Swift &amp; Co.,

10 S. Hams,	204 lb.	.10 $\frac{1}{4}$	20.91	
20 Cal. Hams,	176 "	.07	12.32	
24 Hams,	249 "	.10	24.90	
1 bbl. Hams,	301 "	.10	30.10	
1 " Wy. Hams,	322 "	.09 $\frac{1}{8}$	31.80	
1 Steer,	670 "	.07 $\frac{1}{2}$	50.25	
1 " "	489 "	.07	34.23	
1 Side Beef,	362 "	.07 $\frac{1}{2}$	27.15	
1 " "	276 "	.08 $\frac{1}{4}$	22.77	254.43

Purchase Book.

— 2 —

Sold to P. J. Collins, 416 Market St., on account,

# 22 1 Hind,	110 lb.	.07 $\frac{1}{4}$	8.25	
# 7 1 Side Beef,	225 "	.08 $\frac{1}{4}$	18.56	
Pork Loins,	198 "	.11 $\frac{1}{4}$	22.77	49.58

Order-Sheet Sales Book. See Art. 3.

— 2 —

Sold to Martin &amp; Campbell, 133 Jackson St., on account,

2 Rounds,	160 lb.	.09	14.40	
2 Ribs,	82 "	.12	9.84	24.24

Order-Sheet Sales Book.

— 3 —

Bought from Armour &amp; Co., on account,

3 bbl. Hams,	1100 lb.	.11 $\frac{1}{2}$	126.50	
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Less 2% for cash in 10 days.

24	379	19
21	380	20
26	398	18
71	1157	57

Purchase Book.

— 3 —

Bought from Cudahy &amp; Co., on account,

2 bbl. Smoked Bacon,	630 lb.	.10 $\frac{1}{4}$	63.79	
	340	20		
	331	21		
	671	41		

Purchase Book.

## — 3 —

Sold to Clark & Son, 1524 Mulberry St., on account,

1 Side Beef,	275 lb.	.09½	26.81	
1 Steer,	422 "	.08½	35.87	
Pork Loins,	99 "	.12	11.88	74.56

Order-Sheet Sales Book. .

## — 4 —

Sold to P. J. Collins, on account,

1 bbl. Hams,	301 lb.	.11½	35.37	
1 Steer,	670 "	.09	60.30	95.67

Order-Sheet Sales Book.

## — 5 —

Bought from Omaha Packing Co., on account,

5 tierces K. R. Lard,	2013 lb.	.07½	150.98	
	487	70		
	474	69		
	493	84		
	471	70		
	439	58		
	2364	351		

Purchase Book.

## — 5 —

Sold to Smith's Cash Store, 1726 Main St., on account,

24 Hams,	249 lb.	.11½	29.26	
1 bbl. Wy. Hams,	322 "	.13	41.86	
1 Side Beef,	276 "	.09½	26.91	98.03

Order-Sheet Sales Book.

## — 5 —

Sold to W. E. Edwards & Co., 717 Myrtle St., on account,

20 Cal. Hams,	176 lb.	.08½	15.40	
1 Steer,	489 "	.08½	41.57	
1 Side Beef,	362 "	.09	32.58	89.55

Order-Sheet Sales Book.

— 7 —

Bought from Armour & Co., on account,

4 pcs. Smoked Bacon, 14 lb.,	.10	1.40	
3 " " " 9 "	.10	.90	
1 bbl. Dry Salt " 327 "	.09 $\frac{1}{4}$	32.29	34.59

Purchase Book.

— 7 —

Bought from Omaha Packing Co., on account,

14 pcs. Smoked Bacon, 35 lb.,	.10	3.50	
16 " " " 38 "	.10	3.80	7.30

Purchase Book.

— 7 —

Bought from Cudahy & Co., on account,

5 bbl. Pigs' Feet,	8.00	40.00	
10 hf. bbl. Pigs' Feet,	4.00	40.00	
20 qr. " " "	2.00	40.00	120.00

Purchase Book.

— 7 —

Bought for cash,

Pork Loins, 198 lb.	.11 $\frac{1}{2}$	22.77	
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Cash Book.

— 7 —

Sold to Martin & Campbell, on account,

2 tierces Lard,	822 lb. .10	82.20	
	487 70		
	474 69		
	<hr/> 961 139		
1 bbl. Smoked Bacon, 320 lb.	.12 $\frac{1}{2}$	40.00	
1 " Hams, 24 pcs., 360 "	.13 $\frac{1}{2}$	48.60	170.80

Order-Sheet Sales Book.

— 7 —

Sold to Richard Kelly, 326 Maple St., on account,

2 bbl. Hams, 740 lb.	.13 $\frac{1}{2}$	99.90	
	24 380 20		
	26 398 18		
	<hr/> 50 778 38		

Order-Sheet Sales Book.

## — 8 —

Sold to Clark & Son, on account,

# 18	1 Hind,	104 lb.	.09	9.36	
# 27	1 "	95 "	.08	7.60	
# 18	1 Side Beef,	221 "	.08	17.68	34.64

Order-Sheet Sales Book.

## — 8 —

Sold to Smith's Cash Store, on account,

# 7	2 Hinds,	215 lb.	.08½	18.28	
# 5	2 "	272 "	.08½	23.12	41.40

Order-Sheet Sales Book.

## — 9 —

Sold to Richard Kelly, on account,

1	Steer,	474 lb.	.08	37.92	
1	"	423 "	.08	33.84	
1	bbl. Smoked Bacon,	310 "	.12½	38.75	110.51

Order-Sheet Sales Book.

## — 9 —

Sold to W. E. Edwards & Co., on account,

10	S. Hams,	204 lb.	.13	26.52	
1	tierce Lard,	409 "	.10	40.90	67.42

Terms: 30 days net, or 2% off for cash in 10 days.

Order-Sheet Sales Book.

## — 10 —

Sold to P. J. Collins, on account,

2	tierces Lard,	782 lb.	.10	78.20	
		471	70		
		439	58		
		910	128		
4	pcs. Smoked Bacon,	14 lb.	.11½	1.61	79.81

Order-Sheet Sales Book.

## — 10 —

Received from Cudahy & Co., Wilkes-Barre, Pa., Consignment No. 1, to be sold on commission,

4	Sheep,	35	38	34	37
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Journal.

— 10 —

Paid the following invoices of the 1st,

Armour & Co.,	99.76
Cudahy & Co.,	142.53
Swift & Co.,	254.43

Cash Book.

— 11 —

Sold to Martin & Campbell, on account,

14 pcs. Smoked Bacon, 35 lb.	.11½	4.03	
16 " " " 38 "	.11½	4.28	8.31

Order-Sheet Sales Book.

— 12 —

Bought from Cudahy & Co., on account,

5 bbl. Cal. Hams, 1630 lb.	.07	114.10
27 323	19	
24 317	17	
25 386	19	
24 360	21	
21 340	20	
121 1726	96	

Purchase Book.

— 12 —

Bought from Omaha Packing Co., on account,

5 cases Lard, 20 3-lb. pails, 300 lb.	.09	27.00	
5 " " 12 5-lb. " 300 "	.09	27.00	
5 " " 6 10-lb. " 300 "	.09	27.00	
5 tubs " 60 lb. 300 "	.07½	23.25	104.25

Purchase Book.

— 12 —

Sold to Clark & Son, on account,

1 bbl. Dry Salt Bacon, 327 lb.	.10	32.70
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Order-Sheet Sales Book.

— 12 —

Received cash from P. J. Collins, for bill of 2d, \$49.58.

Cash Book.

— 12 —

Received cash from Martin & Campbell, for bill of 2d, \$24.24.

Cash Book.

— 12 —

Sold for cash, from Consignment No. 1, Cudahy & Co.,  
2 Sheep, 75 lb. .09½ 7.13

Cash Book. Credit Consignment No. 1, Cudahy & Co.

— 12 —

Returned to Omaha Packing Co.,  
5 cases Lard, 6 10-lb. pails, 300 lb. .09 27.00

Journal. See Art. 8.

— 14 —

Received cash from Clark & Son, for bill of 3d, \$74.56.

Cash Book.

— 14 —

Received cash from P. J. Collins, for bill of 4th, \$95.67.

Cash Book.

— 14 —

Paid the following invoices of the 3d,  
Cudahy & Co., 63.79  
Armour & Co., 126.50, less 2%

Cash Book. Debit Armour & Co. for full amount of bill  
and credit Discount for the discount. See Art. 13.

— 14 —

Sold to Martin & Campbell, on account, from Consignment  
No. 1, Cudahy & Co.,

2 Sheep, 69 lb. .09½ 6.56

Journal.

— 14 —

Bought from Armour & Co., on account,  
10 tierces Lard, 4090 lb. .08 327.20

479	72	471	60
485	69	469	61
496	71	451	60
492	81	471	70
486	80	490	76
2438	373	2352	327

Purchase Book.

— 14 —

Sold to Smith's Cash Store, on account,  
 3 pcs. Smoked Bacon, 9 lb. .11½ 1.04  
 Order-Sheet Sales Book.

— 15 —

Bought from Swift & Co., on account,  
 10 bbl. Hams, 3644 lb. .10½ 373.51

23	371	20	27	398	20
24	378	19	24	367	17
26	394	24	25	381	19
30	398	20	24	371	20
30	384	19	27	401	21
133	1925	102	127	1918	97

Purchase Book.

— 15 —

Paid Omaha Packing Co. for invoice of the 5th, \$150.98.  
 Cash Book.

— 15 —

Sold to W. E. Edwards & Co., on account,  
 1 bbl. Cal. Hams, 304 lb. .08½ 26.60  
 Order-Sheet Sales Book.

— 15 —

Received cash from W. E. Edwards & Co., for bill of 5th,  
 \$89.55.

Cash Book.

— 15 —

Received cash from Smith's Cash Store, for bill of 5th,  
 \$98.03.

Cash Book.

— 16 —

Paid Cudahy & Co., Wilkes-Barre, the net proceeds of  
 Consignment No. 1, as follows:

Gross proceeds,	13.69		
Charges: Freight,	.40		
Commission, .68	1.08	12.61	

Journal. Credit Freight and Commission.

Cash Book. Debit Consignment No. 1 for net proceeds.

— 16 —

Made Shipment No. 1 of the following goods to Blake & Easton, Shamokin, Pa., to be sold on commission:

5 tierces Lard, 2025 lb. .08 162.00

471 60

469 61

451 60

471 70

490 76

---

2352 327

Journal.

— 16 —

Sold to Richard Kelly, on account,

5 tubs Lard, 60 lb., 300 lb. .10 30.00

Order-Sheet Sales Book.

— 17 —

Sold to P. J. Collins, on account,

1 bbl. Cal. Hams, 24 pcs., 300 lb. .08½ 26.25

1 tierce Lard, 407 " .09½ 37.14 63.39

Order-Sheet Sales Book.

— 17 —

Received cash from Richard Kelly, for bill of 7th, \$99.90.

Cash Book.

— 18 —

Richard Kelly returned 5 tubs Lard, 60 lb. each,

300 lb. .10 30.00

Journal.

— 18 —

Received cash from Smith's Cash Store, for bill of 8th, \$41.40.

Cash Book.

— 18 —

Received cash from Clark & Son, for bill of 8th, \$34.64.

Cash Book.



— 18 —

Received cash from Martin & Campbell, for bill of 7th,  
\$170.80.

Cash Book.

— 18 —

We mortgage our real estate for \$2000.00, at 6%. Mort-  
gage dated June 15, 190 .

Cash Book. Credit Mortgages Payable.

— 18 —

Paid the following invoices of the 7th,

Omaha Packing Co.,	7.30
Armour & Co.,	34.59
Cudahy & Co.,	120.00

Cash Book.

— 19 —

Received cash, less 2% discount, from W. E. Edwards &  
Co., for bill of the 9th, \$67.42.

Cash Book. Debit cash and credit Edwards & Co. for  
face of bill. Debit Discount for \$1.35, the discount allowed.

— 19 —

Received cash from Richard Kelly, for bill of the 9th,  
\$110.51.

Cash Book.

— 19 —

Sold to Martin & Campbell, on account,  
5 cases Lard, 20 3-lb. pails, 300 lb. .11 33.00  
1 bbl. Hams, 23 pcs., 351 " .12½ 43.88 76.88  
Order-Sheet Sales Book.

— 20 —

Received 30-day note from P. J. Collins, for bill of 10th,  
\$79.81.

Journal.

— 20 —

Discounted note of P. J. Collins at bank. Interest for 30 days at 6%, \$.40.

Cash Book. Credit Notes Receivable for full amount of note, \$79.81. Debit Interest for the discount charged by the bank.

— 20 —

Sold to Clark & Son, on account,

2 bbl. Hams, 729 lb.	.12½	91.13
24	378	19
26	394	24
50	772	43

Order-Sheet Sales Book.

— 21 —

Received cash from Martin & Campbell, for bill of 11th, \$8.31.

Cash Book.

— 22 —

Received cash from Clark & Son, for bill of 12th, \$32.70.

Cash Book.

— 24 —

Sold for cash,

5 tubs Lard, 60 lb., 300 lb.	.10	30.00
------------------------------	-----	-------

Cash Book.

— 24 —

Sold to Smith's Cash Store, on account,

2 bbl. Hams, 743 lb.	.12½	92.88
30	398	20
30	384	19
60	782	39

Order-Sheet Sales Book.

— 25 —

Received cash from W. E. Edwards & Co., for bill of 15th, \$26.60.

Cash Book.

— 25 —

Received cash from Smith's Cash Store, for bill of 14th,  
\$1.04.

Cash Book.

— 26 —

Sold to W. E. Edwards & Co., on account,  
1 tierce Lard, 416 lb. .09 $\frac{7}{8}$  41.08

Order-Sheet Sales Book.

— 26 —

Allowed P. J. Collins 1c. discount on 300 lb. Hams bought  
on 17th, \$3.00.

Journal.

— 28 —

Sold to Richard Kelly, on account,  
5 cases Lard, 12 5-lb. pails, 300 lb. .10 $\frac{7}{8}$  32.63

Order-Sheet Sales Book.

— 30 —

Paid freight for the month, \$9.25.

Cash Book.

— 30 —

Paid clerks for the month, \$55.00.

Cash Book.

— 30 —

Post to the Ledger; from the Journal first, then from the  
Sales Book and Cash Book.

Take a Trial Balance.

Take Inventories. (Use the figures given in the accom-  
panying inventories.)

Make out a Statement of the Business.

Transfer Merchandise Return and Rebate account to  
Merchandise account.

Close the books.

## INVENTORIES

*Merchandise*

ARTICLE	QUANTITY	COST	AMOUNT
Hams, Cal., 3 bbl.,	1026 lb.	.07	71.82
" 5 "	1821 "	.10 $\frac{1}{4}$	186.65
Lard, 3 tierces,	1242 "	.08	99.36
	496	71	
	492	81	
	486	80	
	1474	232	
Pigs' Feet, 5 bbl.,		8.00	40.00
" " 10 hf. "		4.00	40.00
" " 20 qr. "		2.00	40.00
Pork Loins,	198 lb.	.11 $\frac{1}{4}$	22.77
			500.60
<i>Real Estate</i>			
Store building and lot,			3000.00
<i>Shipment No. 1</i>			
Blake & Easton, Shamokin, Pa.,			162.00
			3662.60

PURCHASE BOOK AND JOURNAL

1

*Scranton Pa., June 1, 190*

Beef	Pork	Lard	Smoked Meats	Dry Salt Bacon	Sundries	LF	LF Sundries
<p><i>Co-partnership has this day been formed between Frank L. Cooper and James T. Wilson for the purpose of carrying on a wholesale meat business at 215 1/2 11th St. under the firm name of the Lackawanna Packing Co.</i></p> <p><i>The losses and gains are to be shared equally each invests as follows:</i></p> <p><i>1000 - 2 Real Estate</i></p> <p><i>1 Frank L. Cooper 1000 -</i></p> <p><i>Building at 215 1/2 11th St.</i></p> <p><i>1000 - 1 Cash</i></p> <p><i>2 James T. Wilson 1000 -</i></p>							
86.21	19.55				12	Amour & Co.	86.76
126.62	9.90				13	Gudaby & Co.	136.52
126.62			126.62		14	Swift & Co.	253.04
						<i>Invoices this date:</i>	
			126.50		12	Amour & Co.	126.50
			6.27		13	Gudaby & Co.	62.79
						<i>Invoices this date:</i>	
		150.90			15	Omaha Packing Co.	150.90
						<i>Invoices this date:</i>	
			230.32.59		12	Amour & Co.	230.59
			7.10		13	Omaha Packing Co.	7.10
		126 -			15	Gudaby & Co.	126 -
						<i>Invoices this date:</i>	
247.74	149.45	150.90	219.92	52.79	6000 -		6000.00

2

June 10, 190

Beef	Pork	Lard	Smoked Meats	Dry Salt Bacon	Sundries	LF	LF Sundries
187.24	189.45	150.98	12.9.92	52.79	6.00		189.12
						16	Consignment to Ludahey & Co. Willie Burr Brand 4 sheep, 31, 35, 34, 27.
						12	
		114.10				13	Ludahey & Co.
		100.25				15	Omaha Packing Co. Invoice this date.
						12	
						27-15	Omaha Packing Co.
						5	Mdew & F. A. Co. Returned 5 cases Lard 1 10 lb. pails, 30 lb., 29.
						14	
						15	Martin & Campbell
						16	Con. No. 1, Ludahey & Co. 2 sheep, 49 lb., 49 lb.
						14	
		327.20				12	Monroe Co. Invoice this date.
						15	
		17.57				14	Swift & Co. Invoice this date.
						14	
						14	Consignment to Ludahey & Co.
						9	Freight
						15	Commissions Closed today.
						14	
						16-17	Shipment to Ludahey & Co. Transactions, Pa.
						4	Mdew & F. A. Co. 5 tiers Lard 205 lb., 25. 471-60 469-61 451-60 471-70 490-76
						15	
						30-5	Mdew & F. A. Co. Richard Kelly Returned 5 20 lb. tubs Lard, 20 lb., 10.
						24	
187.24	189.45	157.41	127.52	32.79	6.22	6.00	189.12

3

*June 20, 190*

Beef	Pork	Lard	Smoked Dry Salt Meats Bacon	Sundries Lf	LF Sundries
347.24	189.48	57.41	107.52	32.34	625.99
			79.01	6 Notes Receivable	
			19	P. J. Collins	79.01
				30-day note for bill of 10th	
			5	5 Madsen R. R. Receipts	
			19	P. J. Collins	5
				Discount on bill of 17th	
				32	
347.24	189.48	57.41	107.52	32.34	625.99
				Madsen	
				Purchases for month	
				625.99	625.99

SALES BOOK

The Lackawanna Packing Company

No. \_\_\_\_\_ Folio 1

190	Shopper's Check	Order Folio	Articles	Weight	Price	Totals
June 12	✓	19	P. J. Collins, 416 Market St.			
	✓		#22 1 Kind	110	7 1/2	8 25
	✓		#27 1 Side Beef	225	8 1/4	18 56
	✓		Pork Loins	195	11 1/2	22 77
						49 58
E. 20			Martin Campbell, 132 Jackson St.			
	✓		2 Pounds	160	9	14 40
	✓		2 Pibs	82	12	9 84
						24 24
						73 82

## The Lackawanna Packing Company.

No.			Folio 2.			
190	Shipper's Check	Order Folio	Articles	Weight	Price	Totals
June 3	E	21	Clark & Sons, 1524 Mulberry St.			73 P.2
	✓		1 Side Beef.	275	97	26.81
	✓		1 Steer.	422	8 1/2	35.87
	✓		Pork Loin.	99	12	11.88
						74.56
June 18	N	19	P. J. Collins.			
	✓		1 bbl. Ham.	301	11 1/2	35.87
	✓		1 Steer.	670	9	60.30
						96.17
						244.05

## The Lackawanna Packing Company

No.			Folio 3.			
190	Shipper's Check	Order Folio	Articles	Weight	Price	Totals
June 5	N	22	Smith's Cash Store, 1726 Main St.			248 P.3
	✓		24 Ham.	249	11 1/2	29.26
	✓		1 bbl. Wyo. Ham.	322	13	41.86
	✓		1 Side Beef.	276	9 1/2	26.91
						98.03
	E	23	W. E. Edwards & Co., 717 Myrtle St.			
	✓		20 Cal. Ham.	176	8 1/2	15.40
	✓		1 Steer.	489	8 1/2	41.57
	✓		1 Side Beef.	362	9	32.58
						89.55
						431.63



## The Lackawanna Packing Company

No.			Folio 46				
190	Shipper's Check	Ledger Folio	Articles	Weight	Price		Totals
June 7	✓	20	Martin & Campbell				\$31.55
○	✓		2 tierces Lard	822	10	\$22.20	
	✓		457-70 474-69				
	✓		1 bbl Smoked Bacon	320	12 1/2	40 -	
	✓		1 " Ham, 24 pcs.	360	13 1/2	48 60	170.80
	✓	24	Richard Kelly, 326 Maple St.				
○	✓		2 bbl Ham	740	13 1/2	99 90	99 90
	✓		24 380 20				
	✓		26 398 18				
							702.33

## The Lackawanna Packing Company

No.				Folio 5.			
190	Shipper's Check	Ledger Folio	Articles	Weight	Price		Totals
June 8	✓	21	Clark & Son				702.33
	✓		#18 1 Hinds	104	9	936	
	✓		#27 1 "	95	8	760	
	✓		#18 1 Side Beef	221	8	1768	3464
		22	Smith's Cash Store				
	✓		#7 2 Hinds	215	8 1/2	1825	
	✓		#5 2 "	272	8 1/2	2312	4140
							772.37

## The Lackawanna Packing Company

No. _____			Bills 6.			
190	Shipper's Check	Ledger Folio	Articles	Weight	Price	Totals
June 9	C.	24	Richard Kelly,			111.07
	✓		1 Steer,	474	8	37.92
	✓		1 "	423	8	33.84
	✓		1 bbl Smoked Bacon,	310	12 1/2	38.75 110.51
	C.	23	W. E. Edwards & Co.,			
	✓		10 Smoked Hams,	204	13	26.52
	✓		1 tierce Lard,	409	10	40.90 67.42
			30 ds. 2/10,			
						956.30

## The Lackawanna Packing Company

No. _____			Bills 7.			
190	Shipper's Check	Ledger Folio	Articles	Weight	Price	Totals
June 10	H.	19	P. J. Collins,			958.30
	✓		2 tierces Lard,	782	10	78.20
	✓		471-70 439-55,			
	✓		4 pcs Smoked Bacon,	14	11 1/2	1.61 79.81
11	H.	20	Martin & Campbell,			
	✓		14 pcs Smoked Bacon,	35	11 1/2	4.03
	✓		16 " " "	38	11 1/2	4.28 8.31
						1046.22

## The Lackawanna Packing Company

No. \_\_\_\_\_

Date 8

190	Shopper's Check	Ledger Folio	Articles	Weight	Price		Totals
June 16	C	21	Clark & Son,				1044.42
	✓		1 bbl Dry Salt Bacon,	327	10		32.70
14	C	22	Smith's Cash Store,				
	✓		3 lbs Smoked Bacon,	9	11 1/2		1.04
15	H	23	W. E. Edwards & Co.,				
	✓		1 bbl Calif. Hams,	304	8 1/2		26.60
							1104.76

## The Lackawanna Packing Company

No. \_\_\_\_\_

Date 9

190	Shopper's Check	Ledger Folio	Articles	Weight	Price		Totals
June 16	H	24	Richard Kelly,				1104.76
	✓		5 tubs Lard, 60 lbs,	300	10		3.00
17	C	19	D. J. Collins,				
	✓		1 bbl Calif. Hams, 24 lbs,	300	8 1/2		26.25
	✓		1 tierce Lard,	407	9 1/2		37.14
19	H	20	Martin & Campbell,				
	✓		5 cases Lard, 20 lb pails,	300	11		3.30
	✓		1 bbl Hams, 23 lbs,	351	12 1/2		43.88
							1275.03

*The Lackawanna Packing Company*

No.		No.		Date		Total	
190	Shipper's Check	Ledger Folio	Articles	Weight	Price		Totals
June 20	✓	21	Clark & Sons				1275.05
	✓		2 bbl. Ham.	729	12 1/2		91.13
	✓		24 378 19				
	✓		26 394 24 1				
	✓		50 772 43				
24	✓	22	Smith's Cash Store				
	✓		2 bbl. Ham.	743	12 1/2		92.88
	✓		30 398 20				
	✓		30 384 19 1				
	✓		60 782 39				1459.04

*The Lackawanna Picking Company*

No.		Folio	
Shipper's Check	Ledger Folio	Articles	Weight Price Totals
June 21 E.	23	W. E. Edwards & Co.	1059 00
✓		1 tierce Lard.	41 05
June 28 E.	24	Richard Kelly,	
✓		5 cases Lard, 12 salt hams.	32 63
	4	Total sales for month.	1532 75

2

Cash.

1881		Debit	Credit	Balance
June 1	Investment		3000 —	
12 19	P. J. Collins	bill of 2 d.	49 55	
20	Martin Campbell	" " 2 d.	24 25	
16	Genl. W. Cuddeback	2 ship, 7 dls, 4 qts.	7 13	
14 21	Clark & Son	bill of 3 d.	74 56	
19	P. J. Collins	" " 4 ths.	95 67	
7	Discount	2 1/2, Amour's bill.	2 53	
15 23	W. C. Edwards & Co.	bill of 5 ths.	59 55	
23	Smith's Cash Store	" " 5 ths.	45 03	
17 24	Richard Kelly	" " 7 ths.	89 90	
15 22	Smith's Cash Store	" " 8 ths.	41 40	
21	Clark & Son	" " 8 ths.	24 64	
20	Martin Campbell	" " 7 ths.	170 80	
11	Mortgages Payable	dated 15 ths.	2000 —	
19 23	W. C. Edwards & Co.	bill of 9 ths, less 2 1/2	67 42	
24	Richard Kelly	" " 9 ths.	110 51	
20 6	Notes Receivable	Collins' note, dis.	79 81	
21 20	Martin Campbell	bill of 11 ths.	5 31	
22 21	Clark & Son	" " 12 ths.	32 70	
24	W. C. Edwards	cash sale		130 —
25 23	W. C. Edwards & Co.	bill of 15 ths.	26 60	
22	Smith's Cash Store	" " 14 ths.	1 04	
30 4	W. C. Edwards	total cash sales	10 —	
July 1	Balance		61446 42	
			50463 16	

2

# Cash

1911			Debit	Credit
June 7	Wd sel.	bought for cash		2277
10 12	Armour & Co.	invoice of 1st	9976	
13	Gudaky & Co.	" " 1st	44252	
14	Swift & Co.	" " 1st	25452	
14 15	Gudaky & Co.	" " 2d	6379	
12	Armour & Co.	" " 2d	12650	
15 15	Omaha Packing Co.	" " 1st	15095	
16 16	Consignment Co.	Gudaky & Co. 2d	1261	
17 15	Omaha Packing Co.	invoice of 7th	730	
12	Armour & Co.	" " 7th	3459	
13	Gudaky & Co.	" " 7th	120	
19 7	Discount	27th Edwards & Co.	135	
20 5	By 1st	dis on Collins note	40	
20 9	Freight	bills for month	925	
10	Wages	clock hire	55	
4	Wd sel.	total bought for cash	2277	
	Balance		504316	
				6194562

Name Frank L. Cooper

Address \_\_\_\_\_

Remarks

Terms

O.L.F.

Card No. **1**

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 1	1				3000 -								
30	30	25			10762								
July 1	31		310762										
July 1	31				310762								



**Card No. 2**

## Terms

**0.74**

Rating	Limit
1	100
2	200
3	300
4	400
5	500
6	600
7	700
8	800
9	900
10	1000

Remarks

**Address -**

061

DATE	ITEM	FOLIO	DEBITS	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	CREDITS	BALANCE
Jan 1	1			3000	—						
30	Trans	25		10763							
	Trans		310763								
July 1	Trans			310763							

**Name**

**Address** \_\_\_\_\_

## Terms

3.0

**Card No. 3**

[illegible]

Name Merchandise

Address \_\_\_\_\_

Remarks

Terms

O. L. F.

Card No. **4**

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 16	Jr.	2			162 -								
30		3	191.894										
30	Cl.	11			1532.75								
30	Cl.	2			30 -								
30	Dr.	5	2277		27 -								
	Dr.		33 -		500.60								
July 1	Dr.	25	277.64										
	Dr.		500.60										

**Card No. 5**

**Name**

**Address -**

## Terms

0.74

**Remarks.**

Rating	Limit
--------	-------

DATE	ITEM	FOLIO	DEBITS	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	CREDITS	BALANCE
1900	12	2		27							
18			3								
26		3	3								
30		4	17	33							





**Card No. 8**

## Terms

Remarks

**Address**\_\_\_\_\_

## 3.7.0

Rating	Limit
1	100
2	200
3	300
4	400
5	500
6	600
7	700
8	800
9	900
10	1000

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Name <u>Wages</u>										Card No. <b>10</b>			
Address <u>190</u>										Rating Limit			
Remarks										Terms			
										O.L.F.			
DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
June 30	By	2	55										
	1-11-25				55								



Name Amour & Co.

Address Chicago, Ill.

Remarks

Terms

O.L.F.

Card No. 12

Rating  
Limit

DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
Jan 1	1				9976								
3					12650								
7					3459								
14		2			32720								
19	Ch	2			9976								
14					12650								
18					3459								
						32720							

Name Cundady & Co.  
 Address Kansas City, Mo.

Card No. **13**  
 Rating Limit

Remarks  
 O.L.F.

DATE	ITEM	FOLIO	DEBITS	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	CREDITS	BALANCE
Jan 1	Jr	1		142.53							
3				63.79							
7				120.-							
12		2		114.10							
10	C.	2	142.53								
14			63.79								
15			120.-								
					114.10						

Card No. 14

## Terms

3.7.0

**Remarks**Digitized by Google

Name Annaba-Packing Co.  
 Address Annaba, Tch

Terms

O. L. F.

Card No. **15**

Rating

Limit

Remarks

DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
June 5	Dr.	1			150.00								
7					7.30								
12		2			104.25								
			27	—									
15	Cr.	2	150.00										
18			7.30										
						77.25							



Name <u>Shipment No. 1</u> <u>Blake &amp; Easton,</u>										Card No. <b>17</b>			
Address <u>Shamokin, Pa.</u>										Rating Limit			
Remarks										Terms			
										O. L. F.			
DATE	ITEM	FOLIO	DEBITS	Y	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	Y	CREDITS	BALANCE
Jan 16	Jan 2		162										
	5 times												
	22500.00												
	471-60												
	469-61												
	451-60												
	471-20												
	490-76												
	2352 327												
	3-2-3-1-1												
July 1	March		162		162								





Name D. J. Collins  
 Address 416 Maryland St

Card No. **18**  
 Rating Limit

Terms  
 O.L.F.

Remarks

DATE	ITEM	FOLIO	DEBITS	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	CREDITS	BALANCE
Jan 26	3			79.51							
2	2	1	43.58								
4	2		95.67								
10	7		74.51								
17	9		63.34								
12	2			44.50							
14				45.67	60.31						

Name Martin Campbell  
 Address 133 Jackson St.

Card No. **20**

Terms  
O.L.F.

Rating  
Limit

Remarks

190

DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
June 14	J.P.	2	6.56										
2		1	24.24										
7		4	170.80										
11		7	5.31										
19		9	76.88										
12	Ct.	2			24.24								
18					170.80								
21					5.31	53.44							

Name Clark & Son,  
 Address 1524 Mulberry St

Card No. **21**

Terms

Rating  
Limit

O. L. F.

Remarks

190		DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
Jan 13	S	2			74 56										
5		5			34 64										
12		8			32 70										
20		10			91 13										
14	C	2					74 56								
18							34 64								
22	.						32 70								
							91 13								



Name W. C. Edwards & Co.,  
 Address 717 Myrtle St.

Card No. **23**  
 Rating  
 Limit

Terms

O. L. F.

Remarks

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 5	Dr.	3	89.55	✓									
9		6	67.42	✓									
15		8	26.60	✓									
26		11	41.08										
15	Cr.	2			89.55								
19					67.42								
25					26.60								
					41.08								

Name Richard Kelly

Address 326 Maple St.

Card No. **24**

Terms  
O.L.F.

Rating  
Limit

Remarks

DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
Jan 15	Int	2			30 -								
7	St	11	9900										
9		6	11051										
11		9	30 -										
25		11	3263										
17	Ch	2			9900								
19					11051	3263							

Card No. 25

## Terms

**Address**

## 3.7.0

Rating	Limit
1	100
2	200
3	300
4	400
5	500
6	600
7	700
8	800
9	900
10	1000

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*Trial Balance, June 30, 190*

60	Cash	5043.16			
1	Frank L. Cooper		30.00	—	
2	James T. Wilson		30.00	—	
3	Real Estate	3000	—		
4	Merchandise	1941.71	1724.75		
5	Mrs. R. & R. A. Co.	33	—	25	
7	Discount	1.35		2.53	
8	Interest	40			
9	Freight	9.25		40	
10	Wages	55	—		
11	Mortgages Payable		2000	—	
12	Gismour & Co.		327.20		
13	Gudaby & Co.		114.10		
14	Swift & Co.		373.51		
15	Omaha Packing Co.		77.25		
17	Shipment No. 1, to R. & Co.	162	—		
18	Commission			68	
19	J. J. Collins	2029			
20	Martin & Campbell	53.44			
21	Clart & Sons	91.13			
22	Smith's Cash Store	72.88			
23	W. C. Edward & Co.	41.08			
24	Richard Kelly	32.63			
		16647.42	16647.42		

# Statement of Business, June 30, 190

Resources:									
Merchandise Inv.	500.60								
Real Estate	3000. —								
Ship No. 1, to P. & C.	162. —								
Cash	5043.16								
P. Collins	6039								
Martin & Campbell	5344								
Clark & Son	9113								
Smith's Cash Notes	9200								
W. C. Edwards & Co.	41.05								
Richard Kelly	32639	107.31							
Liabilities:									
Mortgage Payable	2000. —								
Graham & Co.	32720								
Gudaby & Co.	11410								
Swift & Co.	37351								
Oyaka Packing Co.	7725	2592.06							
Present Worth		62152.5							
Proprietors:									
Frank L. Cooper									
Investment	3000. —								
Gains	107.62	3107.62							
Jasper T. Wilson									
Investment	3000. —								
Gains	107.63	3107.63							
Present Worth		62152.5							

# DOUBLE-ENTRY BOOKKEEPING

(PART 4)

---

## DEPARTMENT-STORE BOOKS

**1. Introduction.**—In this Section specially ruled books will be used to illustrate the keeping of accounts with some of the various departments into which a large store is divided; also three Ledgers, which will show how the books of a business may be separated for convenience of handling and as a preventive of error in a Trial Balance.

These books will be a Journal, Cash Book, Petty Cash Book, Check-Register, Invoice Register, Sales Book, Purchase Ledger, Customers' Ledger, and a General Ledger.

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## BUSINESS FORMS AND METHODS

**2. Voucher Checks.**—Probably the best way to obtain receipts for all bills paid is to use a **voucher check**, a form of which is shown in Fig. 1. This is an ordinary check with a receipt form attached, on which is stated for what the check is given. The receiver of such a check must sign the voucher in full payment for the bill mentioned. By using this form, the original bill need not be returned for receipt, but should be filed in a numerical folder file, and the paid check, when it has been returned through the bank, should be filed with it. If desired, the back of this check may show the distribution of the amount.

**3. Checking and Filing Invoices.**—All invoices should be checked up immediately to see that the goods have been received and that the prices and extensions are correct. This

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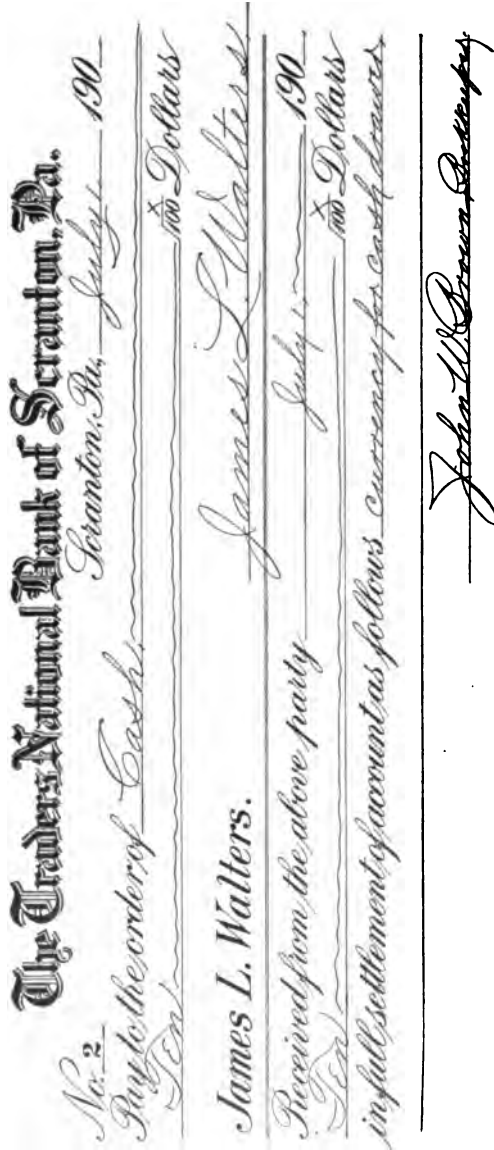


FIG. 1

JAMES L. WALTERS

record is stamped on the face of the invoice by a rubber stamp, as shown in Fig. 2, and the initials of the various people written in. The shipping clerk certifies to the receipt of the goods, the bookkeeper to the extensions, the purchasing agent to the price, and the manager approves the bill and directs to what account or accounts it shall be charged.

RECEIVED.	<i>O.K. J.K.C.</i>
EXTENSIONS.	<i>O.K. J.W.B.</i>
PRICE.	<i>O.K. J.L.W.</i>
APPROVED.	<i>J.L.W.</i>
CHARGE.	<i>Furniture.</i>
"	
"	

FIG. 2

Every invoice should be entered in the Invoice Register, then filed in an arch file, shown in Fig. 3, indexed either alphabetically or by days of the month, whichever is preferred.



FIG. 3

When an invoice has been paid, if by voucher check, it should be taken from the arch file, folded to the proper

size, marked on the upper right-hand corner with the number given it in the Invoice Register, and then filed in a document file, shown in Fig. 4, in the order of its number. It is a good plan to keep two such document files, one for invoices of merchandise and another for other documents.

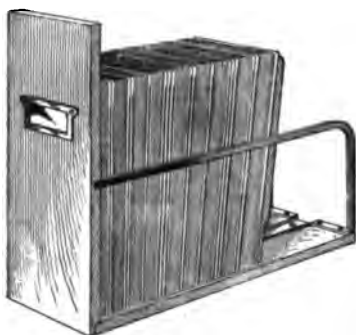


FIG. 4

○	
Invoice No.	_____
Invoice Bk. page	_____
In Stock	_____
Cost	_____
Price	_____

FIG. 5

**4. Price Tag.**—Each article of merchandise placed on the floor of a store for sale should bear a tag like that shown in Fig. 5. The reason for giving the invoice number is that if it is desired to duplicate any article the invoice will show where the goods were purchased and give all other information connected with the transaction. If the cost price is given on the tag, it should be marked in cipher. The cost price is always given in cipher and sometimes the selling price also.

**5. Cipher Price Marks.**—There are many kinds of cipher price marks, which generally consist of a series of ten letters that may or may not spell a word and an extra letter for a repeater in such combinations as

1	2	3
4	5	6
7	8	9

O = Cipher



X = Repeater

FIG. 6

22, 33, etc. Each letter has a certain numerical value, as

B L A C K H O R S E  
1 2 3 4 5 6 7 8 9 0

Another good device, and one that may be arranged in

many different combinations, is shown in Fig. 6. O is used for the cipher and X for a repeater. By this combination, \$1.99 and \$3.25 would be written as shown.

### TRADE DISCOUNT

**6. Trade discounts** are reductions made by manufacturers, jobbers, or merchants from their list or catalogue prices. They are computed by the rules of percentage, the list price of the goods being the base. When several discounts are allowed, the first discount is computed on the list price, the second is computed on the remainder after deducting the first discount, and so on, each remainder being regarded as the base for the computation of the next discount. The several discounts, if more than one, form a discount series.

**7. Table of Equivalents of a Discount Series.**—The following table of equivalent discounts will be found valuable by those who have much bill making that includes the taking off of discounts:

PER CENT. OFF	PER CENT. OFF
10 and 5 off equals . . . . . 14 $\frac{1}{2}$	45 and 10 off equals . . . . . 50 $\frac{1}{2}$
15 and 5 off equals . . . . . 19 $\frac{1}{2}$	45, 10, and 5 off equals . . . . . 52 $\frac{1}{2}$
20 and 5 off equals . . . . . 24	50 and 5 off equals . . . . . 52 $\frac{1}{2}$
20 and 10 off equals . . . . . 28	50 and 10 off equals . . . . . 55
25 and 5 off equals . . . . . 28 $\frac{1}{2}$	50, 10, and 5 off equals . . . . . 57 $\frac{1}{2}$
25 and 10 off equals . . . . . 32 $\frac{1}{2}$	55 and 5 off equals . . . . . 57 $\frac{1}{2}$
25, 10, and 5 off equals . . . . . 35 $\frac{1}{2}$	55 and 10 off equals . . . . . 59 $\frac{1}{2}$
30 and 5 off equals . . . . . 33 $\frac{1}{2}$	55, 10, and 5 off equals . . . . . 61 $\frac{1}{2}$
30 and 10 off equals . . . . . 37	60 and 5 off equals . . . . . 62
30, 10, and 5 off equals . . . . . 40 $\frac{1}{2}$	60 and 10 off equals . . . . . 64
35 and 5 off equals . . . . . 38 $\frac{1}{2}$	60, 10, and 5 off equals . . . . . 65 $\frac{1}{2}$
35 and 10 off equals . . . . . 41 $\frac{1}{2}$	65 and 5 off equals . . . . . 66 $\frac{1}{2}$
35, 10, and 5 off equals . . . . . 44 $\frac{1}{2}$	65 and 10 off equals . . . . . 68 $\frac{1}{2}$
40 and 5 off equals . . . . . 43	65, 10, and 5 off equals . . . . . 70 $\frac{1}{2}$
40 and 10 off equals . . . . . 46	70 and 5 off equals . . . . . 71 $\frac{1}{2}$
40, 10, and 5 off equals . . . . . 48 $\frac{1}{2}$	70 and 10 off equals . . . . . 73
45 and 5 off equals . . . . . 47 $\frac{1}{2}$	70, 10, and 5 off equals . . . . . 74 $\frac{1}{2}$

**8. Discount for Cash.**—Goods are commonly sold payable in 30, 60, or 90 days, with a certain discount, usually 2%, if paid within a stated time, generally 5 or 10 days after the date of the bill.

## BOOKS

---

### JOURNAL

9. There is but little use for a **Journal** in a set of books where so many special rulings are used as in this Section. However, a **Journal** is needed for the entries that do not belong to any one of the special books, and it is always best to include one in every set of books. In Fig. 7 is shown a **Journal** page somewhat different than those in the previous Sections. This style is preferred by some bookkeepers on account of the **Journal** part of the entry being separated from the explanation more than in the other style. For this reason the entry can be found more quickly and posting is somewhat facilitated.

---

### CASH BOOK

10. The use of a **Cash Book** ruled as shown in Fig. 8 saves a great deal of posting and shows at a glance much that a proprietor or business manager frequently wishes to know at once.

The **Sundries** column in Fig. 8 (*a*), or the **Cash** debit side, shows the total cash received, and the next two the same divided into that received from customers and that received from cash sales, this latter being also credited to the department that produced it. The right-hand, or **Cash** credit, side shows the total amount paid out and what for. The **Sundries** column shows the total amount and the other columns the amounts that compose it. By using these special columns, the items are distributed as the entries are made and the labor of posting saved. In this Section each expense item belongs to some one of the accounts having a special column. If there were an item that did not properly belong in any of these columns, it would be entered in the **Sundries** column only and posted direct to its account in the **Ledger**.

On the debit side of the **Cash Book**, the items to be posted are those shown in the column headed **Customers**, which are credited to the parties in the **Customers' Ledger**; and the





2

*Cash Book.*

190	Date	LF	Sundries	Customers	Cash Sales	Furniture	Stoves	Carpet's	Lamps
July	1		J. J. L. Walter's check	3000-					
	2		Cash sales	1500	1500			1500	
	3	1	" "	525	525				525
	5	1	" "	400	400	400			
	6	1	" "	3275	3275	5-		2775	
	7	1	" "	36-	36-	36-			
	9	1	" "	29-	29-	5-		21-	
	12	1	" "	615	615			550	65
	13	2	W. H. Barnes billed	6-	6-				
	16		Cash sales	90	90				90
	17	3	H. T. Snow billed	2050	2050				
	19	1	Cash sales	20-	20-			20-	
	22	2	W. H. Barnes billed	5040	5040				
	23	5	Edw. Ware billed	2145	2145				
	23	1	Cash sales	10-	10-	10-			
	24	1	Geo. Jones billed	3275	3275				
	27	1	Cash sales	24-	24-	24-			
	28	1	" "	925	925	925			
	29	5	Edw. Ware billed	2300	2300				
	30	3	H. T. Snow billed	52-	52-				
	31			3411 00	21690	19690	9705	9005	900
	31	3	Customers' Ledger books	1490					
		4	Furnitures	9705					
		5	Carpet's	9005					
		7	Lamps	900					

FIG. 8 (a)

# Cash Book.

Date	LF	Cr*	Sundries	Purchases	Discounts	Expense	Advertising	Freight	Salaries
July 1	1	Cash on hand	July 1	23.33					23.33
	1	By Cash advanced	2	10—					
9	1	By Billings	July 1	62.00	62.00				
	2	By Billings	July 2	19.50	19.50				
	3	By Billings	July 3	39.10	39.10				
	4	By Billings	July 4	132.90	132.90	2.71			
10	1	Salaries to date	7	27—					27—
12	1	By Billings	July 5	69.50	69.50				
13	4	By Billings	July 6	191.90	191.90	3.92			
16	6	By Billings	July 7	140.77	140.77	2.57			
17	1	Salaries to date	11	10—					10—
21	6	By Billings	July 10	150.50	150.50	3.15			
24	1	Salaries to date	13	10—					10—
25	1	" " "	14	10—					10—
	1	Cash on hand	July 15	143.5		143.5			
	1	Freight for month	16	9.35				9.35	
	1	Advertising for month	17	19.50			19.50		
	1	By Billings	July 18			2.10		1.45	
	1	Balance		237.73					
	1			341.80	82.4—	12.65	99.75	19.50	10.00
	2	Purchase of goods		82.4—					
	5	Discounts		12.65					
	9	Expenses		99.75					
	10	Advertising		19.50					
	11	Freight		10.00					
	12	Salaries		81—					

FIG. 8 (b)

footings of the Furniture, Stoves, Carpets, and Lamps columns are posted to the credit of those accounts in the General Ledger.

On the credit side of the Cash Book, Fig. 8 (*b*), the column headed Purchases shows the items and the total amount debited to the parties bought of. The column headed Discounts shows the items and the total amount of cash discount. It will be seen that these discount items are not included in the amount of cash paid out. When a bill is paid and the amount of the discount taken off, the party must be debited not only for the amount of the cash paid him but for the discount as well, as shown in the entries for the accounts of the Philadelphia Carpet Co. and H. C. Morris. Unless this is done, an account will not balance. The footing of the Discounts column must be posted to the credit side of the Discount account. The footings of the other special columns on the credit side of the book are posted to the debit of their respective accounts in the General Ledger.

---

#### PETTY CASH BOOK

11. The Cash Book shows the amounts received on account from customers and from cash sales. The sum shown by the latter column must agree with the amount shown by the clerks' sales slips, and the sum of the two columns should agree with the amount deposited, as shown by the deposit column of the Check-Register; therefore, in order to show the exact disposition of every cent, money should not be taken from the cashier for use in the petty cash drawer, but withdrawn from the bank by check.

A small book, called a **Petty Cash Book**, is usually kept for the item of cash paid out daily for sundry expenses. All money put into the cash drawer for this purpose should be charged to Petty Cash, and when paid out must first be entered in the book with a full explanation, and at the end of the month summed up under proper heads and entered in the Cash Book, from which the items are posted to the proper accounts. As it is in the petty cash transactions that leaks

1

JUL 1 190		
<i>On Hand 10.-</i>		
JUL 3 190		
RECEIVED FROM JAMES L. WALTERS		
<i>80¢ for Express on box</i>		80
<i>from Printing Supply Co.</i>		
<i>E. J. Wood, Am. Exp.</i>		
JUL 7 190		
RECEIVED FROM JAMES L. WALTERS		
<i>\$1.25 for a sign</i>		1 25
<i>E. J. Wood</i>		
JUL 12 190		
RECEIVED FROM JAMES L. WALTERS		
<i>65¢ for Express on pkg</i>		65
<i>from Phila. Carpet Co.</i>		
<i>E. J. Wood, Am. Exp.</i>		
JUL 20 190		
RECEIVED FROM JAMES L. WALTERS		
<i>25¢ for Telegram to</i>		25
<i>Phila. Carpet Co.</i>		
<i>Jno. Cook, W. H. Mess.</i>		
JUL 28 190		
RECEIVED FROM JAMES L. WALTERS		
<i>60¢ for small job of</i>		60
<i>Painting</i>		
<i>E. J. Wood</i>		
<i>July 31 Balance</i>		6 45
		10.-

FIG. 9

most frequently occur, it is a good plan to use a stamp, as shown in Fig. 9, and thus get a receipt for all money paid out for such transactions.

### CHECK-REGISTER

**12.** A **Check-Register** is a book used instead of a **Check-Book** or **Banking Ledger** to keep the account with

1

Check Register

Date	In favor of	In payment of	Check No.	Amount of Check	Date Retd	Deposits		Balance
						Date	Amount	
July 1	Investment					1	3000—	
	C. L. Moss, rent		1	83.25				
	Petty Cash, Drawer		2	10—				
	Deposited currency					5	25.55	2925.52
9	C. F. Flint, Inv. No. 1		3	60.04				
	P. J. Bassett Co., " 2		4	19.53				
	Hunt andamp; Co., " 3		5	39.10				
	Philas. C. Co., " 4		6	132.93				
10	Pay roll		7	27—				
	Deposited currency					10	97.75	2746.67
12	W. F. Co., Inv. No. 5		8	49.50				
13	Philas. Co., " 6		9	191.95				
14	H. G. Morris, " 7		10	140.77				
17	Pay roll		11	18—				
21	H. G. Morris, Inv. No. 12		12	154.60				
24	Pay roll		13	18—				
	Deposited currency					24	37.05	
	" checks						139.10	2330.07
31	Pay roll		14	18—				
	Smith & Co., Stationery		15	14.35				
	P. J. Jones, Freight		16	9.35				
	Acme Pub. Co., Adv.		17	19.50				
	Deposited currency					31	33.25	
	" checks						75.80	2377.92
31	Balance			2377.92				
				3411.50			3411.50	

Fig. 10

the bank. Like a **Banking Ledger**, it shows the deposits and withdrawals in an itemized manner, but, being separate

from the checks, the information it contains need not be divulged to the clerk drawing the checks or to any one else unless it is desired to do so. The manner of making the entries will be fully understood by a reference to the Check-Register shown in Fig. 10.

---

#### INVOICE REGISTER

**13.** The handling of unpaid bills so that a person may know at any time who and how much he owes and when they should be paid, is one of the bugbears of the office man. By the use of an **Invoice Register**, as illustrated in Fig. 11, this and much more can be shown, no matter how long the invoices have to run before maturity. It is usually indexed by months, so that the work in it can commence at any time and every invoice be recorded readily under the proper date.

Each invoice should be given a number and this number written on the price tag of the goods, so that if required, the invoice that accompanied them can be found quickly. The invoice number on the price tag will show on what invoice the goods were billed; and, if the same has been paid, it will be found filed with the check that paid it. If not paid, it will be found in the holder for unpaid bills.

If accounts are kept with the people bought from, as in this Model Set, their credits are posted from the Amount column of this Register to their respective Ledger accounts in the Purchase Ledger. The footing of this column is posted to the credit of the Purchase Ledger account in the General Ledger. If this is done, columns should be added to the Register, as shown in Fig. 11, so that the bills may be distributed properly to the different departments. At the end of each month the footings of these columns are posted to the debit of these department accounts in the General Ledger. If accounts are not kept with the people bought from, then the proper accounts can be debited when the bills are paid by giving each department a column in the Cash Book.





4

LF Sundries		LF Furniture		Carpets	Stoves	Lamps
		Forward				
	456.30			216.70	146.10	95.00
1	22.50	Grassmoss				
		1.07	Tap-Divans	13.50		
		1.03	Chk. D. Table	9.00		
		23		22.50		
5	23.50	Cedar Wash				
		1.15	Elect. B. Heater	13.00		
		5.00	Tables	6.30		
		2.50	Bar. Chairs	1.50	4.50	
		26				
3	12.00	H. F. Mirror				
		1.02	Glask. Divans	12.00		
4	524.60	Furnitures		12.00		
		Carpeted		255.70	146.40	111.00
5		Stoves		146.40		
6		Lamps		111.00		
7		Customer's Ledger Book		31.50		
8	524.60			524.60		

FIG 12

#### SALES BOOK

**14.** By the use of a Sales Book, as shown in Fig. 12, sales on account from each department are kept separate so that the total sales so made may be posted daily, weekly, or monthly, as desired, thus saving the labor of posting each item separately.

The use of this book requires but little explanation. At the left are the date, folio, and debit-item columns; at the right, the folio and credit columns for the various departments.

The sum of the footings of the credit columns should equal the footings of the debit column, and the credit footings of the department columns are brought into one column for posting.

The items in the left-hand Sundries column must be posted to the debit side of the personal accounts in the Customers' Ledger, and the total of this column to the debit of the Customers' Ledger account in the General Ledger. The footings of the department columns must be posted to the credit side of these accounts in the General Ledger.

---

#### LEDGERS

**15. Advantages of Dividing the Ledger.**—By dividing the Ledger into three parts, as shown in the Model Set, each section may be treated independently, and a statement of any division can be made without handling the pages devoted to another. This will not only be an advantage in doing Ledger work, but will minimize the chances of error, and if one is made, it can be located quickly in one of the sections, which may be checked without reviewing the work in the others. This method of dividing the work of the Ledger does not make it necessary to change in any way the arrangements or plans of handling the other books used.

**16.** The Purchase Ledger contains only accounts with those bought from. As these parties are the creditors, the balance of this Ledger must show just the amount that is

owing and must always be on the credit side. This amount must agree with the amount of the unpaid invoices as shown by the Invoice Register. The balance is increased by the postings from the Invoice Register and decreased by the postings from the Purchases and Discounts columns on the credit side of the Cash Book. For example, suppose that, as in the Model Set of books, at the beginning of a business period there were no balance due parties bought of; that the credits posted to this Ledger, as shown by the Invoice Register, were \$1,211.19; and that the debit items, or payments to these parties, as shown by the Purchases and Discounts columns of the Cash Book, were \$829. The balance due, as would be shown by a statement of the face of the Ledger, would be \$382.19, which should agree with the amount of the unpaid bills as shown by the Invoice Register. If this is the case, the Ledger is correct.

**17.** The Customers' Ledger contains only accounts with customers, and for this reason it will never be in balance. A statement of its face, or a trial balance, as it may be called, will always show that the debit side is much larger than the credit, the amount so shown being the amount due from customers. This amount is increased by the postings from the Sales Book and decreased by the postings from the Customers column on the debit side of the Cash Book. This being the case, we can always tell what the balance of this Ledger should show; if it does not show this balance, there is an error somewhere. For example, if, as in the Model Set of books, at the beginning of a business period, there were no balance due from customers and the sales for the period were \$544.60 and the amount received from customers \$214.90, the balance due as shown by a statement of the face of the Ledger would be \$329.70.

Sometimes small bills of goods are sold on credit to customers who generally buy for cash. To save space, a separate card is not used for each, but several accounts entered on a card like that shown in Fig. 13, under a general



heading called Petty Accounts. These accounts are indexed separately, giving as their location the page of Petty Accounts. The balance of this account is taken into the Trial Balance instead of the balance of each individual account.

18. The General Ledger contains the proprietor's account, the general accounts like Merchandise, Expense, etc., and may, if desired, have an account with each of the other Ledgers, as shown in the Model Set.

After statements of the other Ledgers are made and proved correct, a Trial Balance of the General Ledger should be taken. If it is not found to be correct, the work must be reviewed until the error is located. The error will most likely be found to be a transposition of figures, the posting of dollars as cents, or some such error caused by haste or interruption.

---

### MODEL SET

19. Department-Store Accounts.—In order to show more clearly how the accounts of a department store are handled, the following transactions are used to write up a Model Set of books of the forms explained in the preceding pages.

---

#### TRANSACTIONS

SCRANTON, PA., JULY 1, 190

I, James L. Walters, begin business this day at 812 Lackawanna Ave., as a retail dealer in furniture, carpets, stoves, and lamps, with a cash investment of \$3000.

The store at the above place has been rented from C. L. Moss for one year at \$1000, rent payable monthly in advance.

Journal entry.

Cash Book.

Check-Register.

— 1 —

Paid C. L. Moss one month's rent in advance, \$83.33.

Cash Book. Charge to Expense.

Check-Register.

— 1 —

Drew from the bank and placed in the petty cash drawer,  
\$10.00.

Check-Register.

Cash Book.

Petty Cash Book.

— 1 —

Received the following invoices for goods purchased.  
Goods received and found to be O. K.

C. A. Klein, 214 Market St., Philadelphia, Pa.,

120 Extra Super Carpet, 126 yds., 54 68.04

Terms: 30 days.

Invoice Register. Invoice No. 1.

B. F. Gassett & Co., 77 Chambers St., New York,

1	312	Ruby Hall Lamp,	2.80	
1	380	Canary Hall Lamp,	2.00	
1	379	Minerva Hall Lamp,	1.12	
1	272	Pearl Opal Shade,	1.40	
1	381	Gilt Piano Lamp,	4.44	
1	382	" " "	7.77	19.53

Terms: 30 days.

Invoice Register. Invoice No. 2.

Trenton Lamp Co., 219 E. State St., Trenton, N. J.,

1	914	Yellow Shade, white lace,	1.40	
1	929	Lilac " " "	1.40	
1	929	Deep Green Shade,	1.90	
1	928	Nile " "	3.00	
1	927	Red Shade, black lace,	1.90	
1	905	Pink " white "	3.50	
1	913	Yellow " yellow "	5.50	
1	912	Red " red "	5.50	
1	930	Orange " black "	7.50	
1	906	Nile Green Shade	7.50	39.10

Terms: 30 days.

Invoice Register. Invoice No. 3.

Philadelphia Carpet Co., 87 Chestnut St., Philadelphia, Pa.,

1	211	Moquette Rug,			2.00	
1	214	" "			3.00	
1 pc.	438	Stair Carpet,	46	yds.,		
1 pc.	372	" "	44 $\frac{1}{2}$	"		
1 pc.	581	" "	50 $\frac{1}{2}$	"		
			<u>141<math>\frac{1}{2}</math></u>	"	.65	91.81
1 pc.	618	Tapestry Carpet,	45 $\frac{1}{2}$	"		
1 pc.	681	" "	52 $\frac{1}{2}$	"		
			<u>98</u>	"	.55	53.90
				Less 10%,		<u>15.07</u>
						135.64

Terms: Less 2% for cash in 10 days.

Invoice Register. Invoice No. 4.

— 2 —

Sold for cash,

1	211	Moquette Rug,			3.00	
	438	Stair Carpet, 16 yds.,	.80	12.80	15.80	

Cash Book.

— 3 —

Sold for cash,

1	381	Gilt Piano Lamp,	6.50		
1	914	Lace Shade,	1.75	8.25	

Cash Book.

— 3 —

Sold to Geo. Jones, 819 Olive St., on account,

1	928	Lamp Shade,		4.50	
	681	Tapestry Carpet, 22 $\frac{1}{2}$ yds.,	.70	15.75	
1	382	Gilt Piano Lamp,		12.50	32.75

Sales Book.

— 3 —

Paid expressage on box from Trenton Lamp Co., \$.80.

Petty Cash Book.

— 3 —

Sold to W. H. Barnes, 18 Washington Ave., on account,

1	312	Ruby Hall Lamp,	4.25	
1	929	Lamp Shade,	1.75	6.00

Sales Book.

— 3 —

Bought from Illinois Furniture Co., 12 Race St., Chicago, Ill.,

1	54	Sideboard,	15.00	
1 doz.	307	Chairs, elm,	10.00	
1 "	318	" oak,	16.00	
1 "	387	" elm,	6.50	
1 "	289	" " arms,	22.00	69.50

Terms: 30 days.

Invoice Register. Invoice No. 5.

— 5 —

Sold for cash,

4	307	Chairs,	4.80
---	-----	---------	------

Cash Book.

— 5 —

Bought from Philadelphia Carpet Co., on account,

1 pc.	60	Ingrain Carpet, 130 yds.,		
1 pc.	112	" "	135 "	
1 pc.	210	" "	132 "	
1 pc.	315	" "	131 "	
			<u>528</u> "	.30 158.40
1	317	Wilton Rug,		22.50
1	531	" "		15.00 195.90

Terms: Less 2% for cash in 10 days.

Invoice Register. Invoice No. 6.

— 5 —

Deposit cash on hand.

Check-Register.



## — 6 —

Bought from H. C. Morris, Grand Rapids, Mich., on account,

1	564	Chamber Suit,	45.00
1	559	" "	33.00
1	533 $\frac{1}{4}$	" "	26.00
1	558 $\frac{1}{2}$	" "	37.00

Burlap, 44 yds., .06      2.64    143.64

Terms: Less 2% for cash in 10 days.

Invoice Register. Invoice No. 7.

## — 6 —

Sold for cash,

120	Ex. Super Carpet, 37 yds.,	.75	27.75
2	289 Chairs,	2.50	5.00    32.75

Cash Book.

## — 7 —

Sold for cash,

1	533 $\frac{1}{4}$	Chamber Suit,	36.00
---	-------------------	---------------	-------

Cash Book.

## — 7 —

Sold to H. T. Snow, 112 Monroe Ave., on account,

1	54	Sideboard,	20.00
1	930	Lamp Shade,	8.50    28.50

Sales Book.

## — 7 —

Paid to Ed. Wales, for a sign, \$1.25.

Petty Cash Book.

## — 7 —

Bought from Illinois Furniture Co., on account,

4	83	6-ft. D. Tables,	4.50	18.00
2	83	8-ft. " "	6.00	12.00
2	79	8-ft. " "	6.75	13.50
2	79	6-ft. " "	5.10	10.20    53.70

Terms: 30 days.

Invoice Register. Invoice No. 8.

— 7 —

Bought from B. F. Gassett &amp; Co., on account,

½ doz.	117	Opal Dome Shades,	3.00	.50	
½ "	3611	Shades,	5.50	1.83	
½ "	3	Gallia Lamps,	7.64	3.82	6.15
		Less 10%,			.62
					5.53
		Box,			.35
					5.88

Terms: 30 days.

Invoice Register. Invoice No. 9.

— 8 —

Sold to C. E. Howe, 812 Madison Ave., on account,

120	Ex. Super Carpet, 47 yds.,	.75	35.25	
438	Stair Carpet, 30 "	.80	24.00	59.25

Sales Book.

— 9 —

Sold for cash,

60	Ingrain Carpet, 42 yds.,	.50	21.00	
1 79	6-ft. D. Table,		8.00	29.00

Cash Book.

— 9 —

Sold to W. H. Barnes, on account,

120	Ex. Super Carpet, 42 yds.,	.75	31.50	
1 214	Moquette Rug,		4.50	
372	Stair Carpet, 18 "	.80	14.40	50.40

Sales Book.

— 9 —

Paid the following Invoices:

C. A. Klein, Invoice No. 1,	68.04
B. F. Gassett & Co., Invoice No. 2,	19.53
Trenton Lamp Co., Invoice No. 3,	39.10
Philadelphia Carpet Co., Invoice No. 4,	
\$135.64, less 2% cash discount, \$2.71,	132.93

Cash Book.

Check-Register.

Invoice Register.

## — 9 —

Bought from H. C. Morris, on account,

1	doz.	878	Tables, XVI Cent.,	55.00	
1	"	869	" Ant.,	95.00	
$\frac{1}{12}$	"	869	" XVI Cent.,	1.95	
$\frac{1}{12}$	"	890	" Imt. Mah.,	2.10	
$\frac{1}{12}$	"	860	" " "	3.60	157.65

Less 2% for cash in 10 days.

Invoice Register. Invoice No. 10.

## — 9 —

Bought from Illinois Furniture Co., on account,

1	202 $\frac{1}{2}$	Ant. 3-pc. Suit,	17.00	
1	214	XVI Cent. 3-pc. Suit,	19.00	
1	215	Ant. 3-pc. Suit,	19.50	
1	216	Ant. 3-pc. Suit,	20.00	
		Burlap, 40 yds.,	.05	2.00
				<u>77.50</u>
		Less 20%,	15.50	62.00

Terms: 30 days.

Invoice Register. Invoice No. 11.

## — 9 —

Bought from Sterling Stove Co., 19 Barclay St., New York, on account,

1	W. B. 81	Stove,	31.00	
1	" 82	"	34.00	
1	C. E. 71	Range,	45.00	
1	" 72	"	48.00	
			<u>158.00</u>	
		Less 30%,	47.40	110.60
1	25	Elec. Oil Heater,	13.00	
1	15	" " "	9.00	22.00
				<u>132.60</u>

Terms: 30 days.

Invoice Register. Invoice No. 12.

— 10 —

Paid clerks' salaries, May 1 to 10, inclusive, \$27.00.

Cash Book.

Check-Register.

— 10 —

Bought from C. A. Klein, on account,

2 rolls Fiber, 44 in., 554 yds.,	.05	27.70
Less 20%,		5.54 22.16

Terms: 30 days.

Invoice Register. Invoice No. 13.

— 10 —

Deposit all cash on hand.

Check-Register.

— 12 —

Paid Illinois Furniture Co., for Invoice No. 5, \$69.50.

Cash Book.

Check-Register.

Invoice Register.

— 12 —

Paid express on samples from Philadelphia Carpet Co., \$.65.

Petty Cash Book.

— 12 —

Sold for cash,

112 Ingrain Carpet, 11 yds.,	.50	5.50
1 117 Opal Dome Shade,	.65	6.15

Cash Book.

— 13 —

Received from W. H. Barnes, cash for bill of 3d, \$6.00.

Cash Book.

— 13 —

Paid Philadelphia Carpet Co., for Invoice No. 6, \$195.90,  
less 2% cash discount, \$3.92, \$191.98.

Cash Book.

Check-Register.

Invoice Register.

— 14 —

Paid H. C. Morris, for Invoice No. 7, \$143.64, less 2% for cash, \$2.87, \$140.77.

Cash Book.

Check-Register.

Invoice Register.

— 14 —

Bought from H. C. Morris, on account,

1	125	Iron Bed,		5.75	
$\frac{1}{2}$ doz.	516	Cane Chairs,	13.00	6.50	
$\frac{1}{2}$ "	129	Cobblers,	36.00	18.00	
$\frac{1}{2}$ "	135	Uprights,	30.00	15.00	
$\frac{1}{2}$ "		Boston Rockers,	16.00	8.00	53.25

Terms: 30 days.

Invoice Register. Invoice No. 14.

— 14 —

Sold to W. H. Barnes, on account,

1	878	Table,	6.00	
1	83	8-ft. D. Table,	9.00	15.00

Sales Book.

— 15 —

Sold to C. E. Howe, on account,

1	558 $\frac{1}{2}$	Chamber Suit,	48.00
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Sales Book.

— 15 —

Sold to Edw. Ware, 1121 Pine St., on account,

1		Boston Rocker,	1.75	
1	860	Imt. Mah. Table,	5.00	
	618	Tapestry Carpet, 21 yds.,	.70	14.70 21.45

Sales Book.

— 16 —

Sold for cash,

1	3	Gallia Lamp,	.90
---	---	--------------	-----

Cash Book.

— 16 —

Received cash from H. T. Snow, for bill of 7th, \$28.50.

Cash Book.

— 16 —

Sold to Geo. Jones, on account,

1	C. E. 71	Range,	58.00	
1	202½	Ant. 3-pc. Suit,	20.00	78.00

Sales Book.

— 17 —

Paid clerks' salaries, 12th to 17th, inclusive, \$18.00.

Cash Book.

Check-Register.

— 17 —

Bought from Illinois Furniture Co., on account,

1	112	Plush Divan,	10.00	
1	157	Tap. "	11.50	
1	157	Moq. "	11.50	
1	121	Silk "	7.50	
1	143	" "	9.50	
1	46	Wardrobe,	9.00	
1	33	" "	6.75	65.75
		Less 20%,		<u>13.15</u>
				52.60

Terms: 30 days.

Invoice Register. Invoice No. 15.

— 17 —

Sold to H. T. Snow, on account,

1	W. B. 81	Stove,	40.00
---	----------	--------	-------

Sales Book.

— 19 —

Sold for cash,

1	531	Wilton Rug,	20.00
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Cash Book.

— 19 —

Received cash from W. H. Barnes, for bill of 9th, \$50.40.

Cash Book.

— 20 —

Received cash from Edw. Ware, for bill of 15th, \$21.45.

Cash Book.

— 20 —

Paid for telegram to Philadelphia Carpet Co., \$.25.

Petty Cash Book.

— 20 —

Sold to W. H. Barnes, on account,

1	564	Chamber Suit,	60.00	
1		Boston Rocker,	1.75	
3	516	Cane Chairs,	1.50	4.50 66.25

Sales Book.

— 21 —

Paid H. C. Morris, for Invoice No. 10, \$157.65, less 2% cash discount, \$3.15, \$154.50.

Cash Book.

Check-Register.

Invoice Register.

— 21 —

Sold to C. E. Howe, on account,

6	135	Uprights,	3.20	19.20
1	33	Wardrobe, oak,		7.50
1	869	XVI Cent. Table,		3.00
1	79	8-ft. D. " "		11.00 40.70

Sales Book.

— 22 —

Sold for cash,

1	46	Wardrobe,	10.00
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Cash Book.

— 22 —

Sold to George Jones, on account,

1	157	Tapestry Divan,	13.50
1	83	8-ft. D. Table,	9.00 22.50

Sales Book.

— 23 —

Sold to Edw. Ware, on account,

1	15	Electric Oil Heater,	13.00
		Fiber, 90 yds.,	.07 6.30
3	516	Cane Chairs,	1.50 4.50 23.80

Sales Book.

— 24 —

Received cash from George Jones, for bill of 3d, \$32.75.

Cash Book.

— 24 —

Paid clerks' salaries, 19th to 24th, inclusive, \$18.00.

Cash Book.

Check-Register.

— 24 —

Deposit all cash and checks on hand.

Check-Register.

— 26 —

Sold to H. T. Snow, on account,

1 112 Plush Divan, 12.00

Sales Book.

— 27 —

Sold for cash,

1 216 Ant. 3-pc. Suit, 24.00

Cash Book.

— 28 —

Sold for cash,

1 125 Iron Bed, 9.25

Cash Book.

— 28 —

Paid small job of painting, \$.60.

Petty Cash Book.

— 29 —

Received cash from Edw. Ware, for bill of 23d, \$23.80.

Cash Book.

— 30 —

Received cash from H. T. Snow, for bills of 17th and 26th, \$52.00.

Cash Book.



— 31 —

Paid clerks' salaries to date, \$18.00.

Paid for stationery, H. W. Smith Printing Co., \$14.35.

Paid freight for the month, F. T. Jones, Agt., \$9.35.

Paid Record Publishing Co., advertising for month, \$19.50.

Cash Book.

Check-Register.

— 31 —

Deposit all cash and checks on hand except currency in petty cash drawer.

Check-Register.

Enter Petty Cash Book totals in Cash Book; express items in Freight column, the others under Expense.

— 31 —

Post the books, first from the Invoice Register to the Purchase Ledger and General Ledger; then from the Sales Book to the Customers' Ledger and General Ledger; Cash Book, receipts to the Customers' Ledger and General Ledger payments to the Purchase Ledger and General Ledger; Journal. Some accounts in the Customers' Ledger or Purchase Ledger may balance, but they should not be ruled until a Trial Balance has been taken.

Make Statements of Purchase and Customers' Ledgers.

Take a Trial Balance of the General Ledger.

Make entries in Journal to adjust rent, advertising, freight, and salaries between the departments and post them to the General Ledger.

Rent: divided among departments in proportion to space occupied. Furniture,  $\frac{1}{2}$ ; Carpets,  $\frac{1}{4}$ ; Stoves,  $\frac{1}{8}$ ; Lamps,  $\frac{1}{8}$ .

Advertising: divided among departments in proportion to space used. Furniture,  $\frac{1}{2}$ ; Carpets,  $\frac{1}{4}$ ; Stoves,  $\frac{1}{8}$ ; Lamps,  $\frac{1}{8}$ .

Freight: charged to departments at actual cost to each. Furniture, \$5.55; Carpets, \$1.60; Stoves, \$2.85; Lamps, \$.80.

Salaries: divided among departments in proportion to sales from each.

Make Statements of Resources and Liabilities, Losses and Gains, and Proprietor's account.

Enter Inventories on Ledger accounts and close books.

## INVENTORIES

*Carpet*

PATTERN No.	ARTICLE	YDS.	COST	AMOUNT	TOTAL
372	Stair,	26 $\frac{1}{2}$	.65	17.39	
581	"	50 $\frac{1}{2}$	.65	32.83	
618	Tapestry,	24 $\frac{1}{2}$	.55	13.48	
681	"	30	.55	16.50	
				<u>80.20</u>	
	Less 10%,			8.02	
				<u>72.18</u>	
60	Ingrain,	88	.30	26.40	
112	"	124	.30	37.20	
210	"	132	.30	39.60	
315	"	131	.30	39.30	
317	Wilton Rug,			22.50	
	Fiber,	464	.05	23.20	260.38

*Lamps and Fixtures*

PATTERN No.	ARTICLE	QUANTITY	COST	AMOUNT	TOTAL
3	Lamps, Gallia,	5	.64	3.20	
3611	Shades,	4	.46	1.84	
117	" Opal Dome,	1		.25	
				<u>5.29</u>	
	Less 10%,			.53	
				<u>4.76</u>	
380	Lamp, Canary Hall,	1		2.00	
379	" Minerva "	1		1.12	
272	Shade, Pearl Opal,	1		1.40	
929	" Deep Green,	1		1.90	
927	" Red, black lace,	1		1.90	
905	" Pink, white "	1		3.50	
913	" Yellow, yellow lace,	1		5.50	
912	" Red, red lace	1		5.50	
960	" Nile Green,	1		7.50	35.08

*Furniture*

PATTERN No.	ARTICLE	QUANTITY	COST	AMOUNT	TOTAL
157	Moquette Divan,	1		11.50	
121	Silk            "	1		7.50	
143	"                "	1		9.50	
				<u>28.50</u>	
	Less 20%,			<u>5.70</u>	
				22.80	
129	Cobblers,	6	3.00	18.00	
	Boston Rockers,	4	1.34	5.36	
214	XVI Cent., 3-pc. Suit,	1		19.00	
215	Ant., 3-pc. Suit,	1		19.50	
878	Tables, XVI Cent.,	11	4.59	50.49	
869	"    Ant.,	12		95.00	
890	"    Imt. Mah.,	1		2.10	
83	"    6-ft. Dining,	4	4.50	18.00	
79	"    8-ft.       "	1		6.75	
79	"    6-ft.       "	1		5.10	
559	Chamber Suit,	1		33.00	
307	Chairs,	8		6.66	
318	"    oak,	12		16.00	
387	"    elm,	12		6.50	
289	"    "    arms,	10		18.33	
	Burlap,	84 yds.		4.64	347.23

*Stoves*

PATTERN No.	ARTICLE	QUANTITY	AMOUNT	TOTAL
W. B. 82	Stove,	1	34.00	
C. E. 72	Range,	1	48.00	
25	Electric Oil Heater,	1	13.00	95.00

2

## Cash Book.

Date	LF	Sundries	Customers	Cash Sales	Furniture	Stores	Carpets	Lamps
July 1		Jas L. Hattersmink	3000-					
2	✓	Cash sales	1500	1500			1500	
3	✓	" "	525	525				525
5	✓	" "	450	450	450			
6	✓	" "	3275	3275	5-		2775	
7	✓	" "	36-	36-	36-			
9	✓	" "	29-	29-	8-		21-	
12	✓	" "	615	615			550	65
13	2	W. H. Barnes bill'd	6-	6-				
16	✓	Cash sales	90	90				90
17	3	H. T. Snow bill'd	2550	2550				
19	✓	Cash sales	20-	20-			20-	
20	2	W. H. Barnes bill'd	5040	5040				
20	5	Edw. Ware bill'd	2145	2145				
22	✓	Cash sales	10-	10-	10-			
24	1	Geo. Jones bill'd	3275	3275				
27	✓	Cash sales	24-	24-	24-			
28	✓	" "	925	925	925			
29	5	Edw. Ware bill'd	2380	2380				
30	3	H. T. Snow bill'd	52-	52-				
✓			341150	21490	19690	9705	9605	980
31	3	Customers' Ldg. Cr. Book	21490					
4		Furniture	9705					
5		Carpets	9605					
7		Lamps	980					

## Cash Book.

Date	LF	Cr	Sundries	Purchases	Discounts	Expense	Advertising	Freight	Salaries
July 1	1	Expenses sent for July	83.33				83.33		
	1	By Cash advanced	10—						
9	1	Ed. Kling & Co. No. 1	60.00	60.00					
	2	B. F. Russell & Co. " 2	19.50	19.50					
	3	Freight & Compton " 3	39.10	39.10					
	4	Philas. Co. " 4	132.85	132.85	2.71				
	10	Salaries to date	27—						27—
	12	W. T. Co. No. 5	69.50	69.50					
	13	Philas. Co. " 9	191.90	191.90	3.92				
	14	H. C. Morris " 7	142.77	142.64	2.57				
	17	Salaries to date	15—						15—
	21	H. C. Morris No. 12	156.50	157.65	3.15				
	24	Salaries to date	15—						15—
	31	" " "	15—						15—
	1	Expenses stationery	14.35			14.35			
	1	Freight for month	9.35					9.35	
	1	Advertising Booklet	19.50				19.50		
	1	Petty Cash paid out				2.10		1.45	
	1	Balance	577.42						
	1		577.42	829—	12.65	94.75	19.50	10.80	81—
	2	Purchase of paper book	8.75						
	5	Discounts on	12.65						
	9	Expenses on	94.75						
	10	Advertising "	19.50						
	11	Freight "	10.80						
	12	Salaries "	81—						

# PETTY CASH BOOK

1

JUL 1 190			
<i>On Hand 10.00</i>			
JUL 3 190			
RECEIVED FROM JAMES L. WALTERS			
<i>80¢ for Express on box</i>			80
<i>from Denton Lamp Co.</i>			
<i>E. J. Wood &amp; Son Corp.</i>			
JUL 7 190			
RECEIVED FROM JAMES L. WALTERS			
<i>\$1.25 for a sign</i>			1.25
<i>E. J. Wood</i>			
JUL 12 190			
RECEIVED FROM JAMES L. WALTERS			
<i>65¢ for Express on pkg.</i>			65
<i>from Phila. Carpet Co.</i>			
<i>E. J. Wood &amp; Son Corp.</i>			
JUL 20 190			
RECEIVED FROM JAMES L. WALTERS			
<i>25¢ for Telegram to</i>			25
<i>Phila. Carpet Co.</i>			
<i>Jno. Cook, W. H. Mess.</i>			
JUL 28 190			
RECEIVED FROM JAMES L. WALTERS			
<i>60¢ for small job of</i>			60
<i>printing</i>			
<i>E. J. Wood</i>			
July 31 Balances			6.45
			10.00

## JOURNAL

1

Scranton, Pa., July 1, 1900

1 Cash	J. James T. Walter, begin 2000 -				
1 J. T. Walter	business this day as a retail dealer in furniture, carpets, stores, and lamps, at 112 Lockwood Ave., in a store rented from Ed Moss, at \$1000 per year, rent payable monthly in advance. My net investment is \$1000.			2000 -	
4 Furniture	Entry to divide the rent	21.66			
5 Carpets	expense among the depart	20.83			
6 Stores	ments in proportion to	10.42			
7 Lamps	the space occupied. Tot.	10.42			
9 Expense	incurred by Carpets, Stores			83.93	
	Lamps, etc.				
4 Furniture	Entry to divide the cost	15.47			
5 Carpets	for salaries among the	25.92			
6 Stores	department, practically	12.15			
7 Lamps	in proportion to the sales	4.46			
12 Salaries	from each. Furniture, 47.5%			51 -	
	Carpets, 22%; Stores, 11%; Lamps, 3%.				
4 Furniture	Entry to charge off	5.55			
5 Carpets	freight at actual cost	1.60			
6 Stores	to each department.	2.55			
7 Lamps		80			
11 Freight				10.50	
4 Furniture	Entry to divide the ad	97.5			
5 Carpets	vertising expense among	4.55			
6 Stores	the departments in pro	2.44			
7 Lamps	portion to the space	2.43			
10 Advertising	used for each.			10.50	

1

## Check Register

Date	In favor of	In payment of	Check No.	Amount of Check	Date	Deposits		Balance
						Date	Amount	
July 1	Investment,					1	2000—	
	C. L. Moss sent		1	63.22				
	Petty Cash, Drawer,		2	10—				
	Deposited currency,					5	20.00	2935.52
9	C. L. Moss Ins. Co. 1,		3	65.00				
	B. F. Bassett Co. " 2,		4	19.50				
	Intentional Co. " 3,		5	29.10				
	Philade. Co. " 4,		6	132.90				
10	Pay roll,		7	27—				
	Deposited currency,					10	97.75	2746.67
12	W. H. Co. Ins. Co. 5,		8	69.50				
13	Philade. Co. " 6,		9	19.95				
14	H. L. Morris " 7,		10	140.77				
17	Pay roll,		11	18—				
21	H. L. Morris Ins. Co. 4,		12	150.00				
24	Pay roll,		13	10—				
	Deposited currency,					24	37.05	
	" checks,						139.10	2320.07
31	Pay roll,		14	10—				
	Smith & Co. Stationery,		15	14.25				
	F. J. Jones sent freight,		16	9.35				
	Record Pub. Co. Adv.,		17	19.50				
	Deposited currency,					31	33.25	
	" checks,						75.80	2377.92
31	Balance			2277.92				
				2411.50			2411.50	





## SALES BOOK

1

Savannah, Ga., July 3, 1900

LF Sundries	LF Furniture	Carpets	Stoves	Lamps
1 32.75 Geo. Jones, 519 Cherry St., 1 920 Lamp shade, 1.50 601 Lamp, 22 1/2 yds., 74.575 1 301 G. W. Dumas Lamp, 12.50		15.75		4.50 12.50
2 6 — W. H. Barnes, 10 Washington Ave., 1 312 Ruby Hall Lamp, 4.20 1 929 Lamp shade, 1.75				6 —
3 20.50 H. F. Snow, 112 Monroe Ave., 1 501 Slide board, 2.00 1 930 Lamp shade, 5.50		20 —		5.50
4 57.25 C. C. House, 512 Madison Ave., 1 201 Car. Chaper, 47 yds., 75.350 435 Office chair, 30 " 50.25		59.25		
126.50	20 —	75 —		31.50



3

LF Sundries		Forward	LF Furniture Carpets Stoves			Lamps
261.35			897.5	146.10		31.50
1 70--	Geo. Jones,					
	1 C.E. 71 Range,	52--			52--	
	1 2024 Apt 3, pro Suit	20--				
		17				
3 40--	H. H. Brown,					
	1 W.B. 81 Stove,	40--			40--	
		20				
2 66.25	W. H. Barnes,					
	1 511 Chamber Suit,	60--				
	1 Boston Rocker,	175				
	3 516 Case Chair, wa,	450			66.25	
		21				
4 40.70	C. C. House,					
	6 185 Uprights,	32.25 19.25				
	1 33 Wardrobe, oak	7.50				
	1 819 811 Case, Tackle	3--				
406.50	1 79 811 81	11--			40.70	
					216.70	31.50

4

July 22, 190

LF Sundries		Forward	LF Furniture		Carpets	Stoves	Lamps
486 30				216 70	140 10	98 -	31 50
1 22 50	Geo. Jones						
	1 157	Taped Divant	13 50				
	1 22	off. D. Table	9 -	22 50			
		23					
5 23 80	Edw. Vase						
	1 150	Edw. Vase	13 -			13 -	
		Tub	6 30		6 30		
	3 516	Cam. Chairs	150 450	450			
		26					
3 12 -	K. F. Linn						
	1 112	Plush Divant	12 -	12 -			
4 54 60	Furniture			255 70	146 40	111 -	31 50
5	Carpet			146 40			
6	Stove			111 -			
7	Lamps			31 50			
3 54 60	Furniture	Ledger Book		54 60			

## GENERAL LEDGER

1

*James L. Walters*

July 31	Pres. Worth	1069.57	July 1	J. 1,000.00	
				31	60.57
			Aug 1	Pres. Worth	1069.57

2

*Purchase Ledger*

July 31	2	522.19	July 31	1	1211.19
	Pres.	302.19			
			Aug 1	Bal.	302.19

3

*Customer's Ledger*

July 31	4	504.60	July 31	2	214.90
				Pres.	120.70
Aug 1	Bal.	329.70			

4

*Furniture*

July 31	1	592.34	July 31	4	255.70
	J. 1	41.68		2	97.05
		38.47		Furn.	267.23
		5.58			
		9.75			
Aug 1	Furn.	267.23			

**5**

Carpets.					
190			190		
July 31	1	421.74	July 31	44	146.40
	f 1	20.85		2	90.25
		25.92	Smart:		260.35
		1.60			
		4.85			
		21.56			
Aug 1	1.8	260.35			

6

		Stoves			
1901		1902			
July 1	1	132.60	July 31	4	111.10
	1	10.45	trucks		95.00
		12.15			
		2.25			
		2.44			
Aug 1	13	65.54			
Stubs		95.00			

7

Lamps									
190				1900					
July 31		1	64.51	July 31		4	31.50		
		1	10.43			2	4.00		
			4.40						
			80						
			24.3						
Aug 1 Invt.			35.05						

8

[illegible]

9

## Expense.

[illegible]

## 10

Advertising

[illegible]

## 11

## Freight

[illegible]

## 12

## Salaries.

[illegible]



13

*Loss & Gain.*

July 31	Lamps	7	624	July 31	Furniture	14	1221
	Expenses	9	1645		Carpets	5	2186
	<i>Jan. L. Walters</i>	1	6957		Stores	6	4554
					Discounts	8	1265

PURCHASE LEDGER

1

*C. A. Klein, 214 Market St. Phila.*

July 9	2	68.00	68.00	1	July
			2216		18

2

*B. F. Cassett & Co., 77 Chambers St. N. Y.*

July 9	2	19.55	19.55	1	July
			555		

3

*Trenton Lamp Co., 219 E. State St. Trenton*

July 9	2	3710	3710	1	July
--------	---	------	------	---	------



Name Geo. Jones,  
address 819 Olive St.

**Address**

Remarks

## Terms

**0.7.4.**

**Card No. 1**

### Rating

**Limit**

Digitized by Google

**Card No. 2**

## Terms

## Terms

**Card No. 2**

Rating	Limit
--------	-------

3.70

0.14.

Rating.	Limit.
---------	--------

DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
July 3		1	6	—									
9		2	50.40										
14			15	—									
20		3	66.25										
13		2			6	—							
19					50.40								
						81.25							

Name K. S. S. S. S.

Address 112 Monroe Ave.

## Terms

**Card No. 3**

Rating	Limit
--------	-------

DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
1900													
July 7		1	28.50										
17		3	40 —										
26		4	12 —										
16		2			28.50								
30					52 —								

Address8

Rating	Limit
--------	-------

DATE \_\_\_\_\_



## GENERAL LEDGER

1

*James L. Walters*

July 31	Bus. Worths.	1069.57	July 1	J. 1,000.00	
				July 31	60.57
			Aug 1	Bus. Worths.	2069.57

2

*Purchase Ledger*

July 31	2	529.19	July 31	1	1211.19
	Bal.	529.19			
			Aug 1	Bal.	352.19

3

*Customer's Ledger*

July 31	4	504.60	July 31	2	214.90
				Bal.	354.70
Aug 1	Bal.	329.70			

4

*Furniture*

July 31	1	592.34	July 31	4	255.70
	J. 1	41.66		2	97.05
		38.47		Balance	347.23
		5.58			
		9.75			
Aug 1	Balance	347.23			



5

Carpets.									
1900									
July 31			1	421.74	July 31		4	146.40	
		f	1	20.85			2	99.25	
				25.92		Inst.		260.35	
				1.60					
				4.55					
				21.56					
Aug 1	Inst.			260.35					

6

		Stoves.			
190		190			
July 31		132.60	July 31	4	111-
	J 1	10.45	Frank		95-
		12.15			
		2.25			
		2.40			
	July	45.00			
Aug 1	Frank	95-			

7

Lamps.									
190									
July 31		1	44.51	July 31		4		31.50	
	J	1	10.42			2		4.50	
			4.46					25.05	
			5.00					2.24	
			2.43						
Aug 1			35.05						

8

[illegible]

9

## Expense. 190

[illegible]

10

# Advertising

[illegible]

11

Freight.

[illegible]

12

Salaries.

[illegible]

13

*Loss & Gain.*

July 31	Lamps	7	62.24	July 31	Furniture	14	12.21
	Expenses	9	16.45		Carpets	5	21.86
	<i>Just Walters</i>	1	69.57		Stoves	6	45.54
					Discounts	8	12.65

PURCHASE LEDGER

1

*C. A. Klein & Co. Market St. Phila.*

July 9		2	65.00	65.00	1	July
				22.16		

2

*B. F. Cassett & Co. 77 Chambers St. N. Y.*

July 9		2	19.50	19.50	1	July
				5.00		

3

*Trenton Lamp Co. 219 E. State St. Trenton*

July 9		2	37.10	37.10	1	July
--------	--	---	-------	-------	---	------

**4** *Philadelphia Carpet Co., 57 Chestnut St., Phila.*

July 9	2	13564	13564.1	1 July
13		19590	19590	

**5** *Illinois Furniture Co., 12 Race St., Chicago*

July 12	2	6950	6950.1	3 July
			5370	7
			62	9
			5360	17

**6** *H. C. Morris, Grand Rapids, Mich.*

July 14	2	14364	14364.1	6 July
21		15765	15765	9
			5325	10

**7** *Sterling Store Co., 19 Barclay St., N. Y. C.*

			13260.1	9 July

**Card No. 1**

## Terms

0.74

Rating

**Limit**

## BALANCE

Name W. H. C. Carter

Card No. **2**

Address 10 Washington Ave

Terms

O.L.F.

Rating  
Limit

Remarks

190

DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
July 3		1	6 —										
9		2	50 40										
14			15 —										
20		3	66 25										
12		2			6 —								
19					50 40								
						81 25							

M. J. S. S. S.

## Terms

**Card No. 3**

112 Mansard Tr.

## O.L.F.

Rating	Limit
--------	-------

DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	V	CREDITS	BALANCE
July 7		1	28 50										
17		3	40 —										
26		4	12 —										
16		2			28 50								
30					52 —								







## STATEMENTS

*Purchase Ledger, July 31, 190*

1	C. A. Klein,	65.24	90.20	155.44
2	B. F. Gassett & Co.,	19.53	25.41	44.94
3	Trenton Lamp Co.,	39.10	39.10	78.20
4	Philadelphia Carpet Co.,	131.54	331.54	463.08
5	Illinois Furniture Co.,	69.50	237.80	307.30
6	H. C. Morris,	301.29	350.54	651.83
7	Sterling Store Co.,		132.60	132.60
		529.16	1211.19	1740.35

*Customer's Ledger, July 31, 190*

1	Gro. Jones,	132.25	32.75	165.00
2	W. H. Barnes,	137.60	54.40	192.00
3	H. T. Snow,	8.50	7.50	16.00
4	C. E. Howe,	147.95		147.95
5	E. W. Ware,	45.25	45.25	90.50
		546.60	214.90	761.50





# OPENING, CLOSING, AND CHANGING BOOKS

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## MODEL SET

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### PRELIMINARY REMARKS

**1. Scope of Lesson.**—It is the purpose to show, in this Section, how to open a set of books by single entry, to close them, to change to double entry, to close the double-entry books, and to again change to single entry; also, to make an opening entry by double entry.

**2. Importance of Subject.**—The opening and closing of books is a part of bookkeeping that is very difficult for most bookkeepers, because they have but little of it to do. These matters are important, however, and a thorough knowledge of them often enables the possessor to secure a position that otherwise he could not obtain. This is in the nature of expert accounting, and the bookkeeper that is familiar with it will be able to get more or less outside work.

A knowledge of both single-entry and double-entry bookkeeping is necessary in order to understand the subject.

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### OPENING AND CLOSING SINGLE-ENTRY BOOKS

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#### OPENING

**3. An opening entry** for either single-entry or double-entry books should contain a declaration of what the business is and where it is to be carried on, the amount of rent to be

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paid, if any, and when and to whom it is to be paid; also, the amount of the proprietor's investment, or, in the case of opening a new set of books for an old business, a statement of the resources and liabilities. This statement shows the accounts that are due the proprietor, the accounts that he owes, the amount of his outstanding notes, his gain or loss, and his net investment, or, as it is sometimes called, his Present Worth, which is the difference between the resources and liabilities. In some kinds of business, where many notes, mortgages, etc., bearing interest, are carried as investments or liabilities, the amount of accrued interest receivable and payable is taken into account and brought into the list of resources and liabilities. This is especially important in the closing of partnership books, where a partner is retiring from the firm.

Some of the items appearing in the opening entry of single-entry books are not to be posted, since none but personal accounts are kept in the Ledger. Those that are not to be posted are indicated by small check-marks in the narrow folio column.

In opening this set of books we shall use the statement of resources and liabilities shown in Fig. 1. This statement may have been made from a Ledger or from memoranda, but in any case it is supposed to be a complete list of the proprietor's resources and liabilities.

The opening entry from this statement, which is shown in Fig. 2, is in the strictly single-entry form. If, however, the double-entry form is preferred, there is no objection to its use.

## SCRANTON, PA., JULY 1, 190

*Resources*

Cash on hand,	4312.27	
Real Estate,	4400.00	
Merchandise, inventory,	4314.76	
Insurance paid in advance,	130.00	
Coal, inventory,	62.00	
Notes Receivable:		
Wm. E. Jones, 4 mos., due July 10,	325.00	
Jno. G. Waite, 90 ds., due Aug. 5,	292.75	
Accounts Receivable:		
E. W. Griffith,	272.80	
D. E. Hart,	62.31	
J. C. Hoyt,	271.39	
J. T. Parker,	189.67	
Edw. Price,	63.94	14696.89

*Liabilities*

Mortgage Payable,	2000.00	
Notes Payable:		
W. N. Chase, 4 mos., due Aug. 5,	438.25	
Accounts Payable:		
S. L. Ware,	321.72	
Jas. Thomas,	124.36	
D. J. Rogers,	71.42	2955.75
Geo. F. Blake, net investment,		11741.14

FIG. 1

1

Scranton, Pa., July 1, 190

I, Geo. F. Blake, have this day begun a general merchandise business in my store, No. 422 Main St., with the following resources and liabilities:

✓ Cash,	Dr.	43,122.7	
✓ Real Estate,	"	2400 —	
✓ Merchandise,	"	43,147.6	
✓ Insurances,	"	130 —	
✓ Coal,	"	62 —	
Notes Receivable: —			
✓ — Wm. E. Jones, 4 mos., due July 15,	Dr.	325 —	
✓ — Jno. G. Waite, 60 ds., " Aug. 5,	"	292.75	
Accounts Receivable: —			
2 — E. H. Griffith,	Dr.	272.80	
3 — D. C. Hart,	"	62.31	
4 — J. C. Hoyt,	"	271.39	
5 — J. T. Parker,	"	189.67	
6 — Edwin Price,	"	63.94	
✓ Mortgage Payable,	Cr.	2000 —	
Notes Payable: —			
✓ — W. P. Chase, 4 mos., due Aug. 5,	Cr.	438.25	
Accounts Payable: —			
7 — S. L. Ware,	Cr.	321.72	
8 — Jas. Thomas,	"	124.36	
9 — D. J. Rogers,	"	71.42	
✓ Geo. F. Blake, net investment,	"	11741.14	

FIG. 2



### CLOSING

**4. The closing** of a set of single-entry books containing personal accounts only consists principally in finding the loss or gain and transferring it to the proprietor's account. In order to do this, it is necessary to make a Statement of the Ledger, which is a list of all the unsettled accounts in the Ledger, with their debit and credit footings. A list of the other resources and liabilities is then made and the Present Worth found. The difference between the Present Worth now and the Present Worth, or net investment, at the beginning, is the loss or gain. If the proprietor is worth more, he has gained; if less, he has lost. When the loss or gain has been found, it is carried to the proprietor's account by making an entry in the Journal debiting him with the loss or crediting him with the gain, as the case may be, and posting this to the Ledger. The proprietor's account is then balanced and ruled and the balance brought down as a new investment.

This completes the closing of single-entry books and leaves them ready for additional entries.

**5. Forms of Statements and Entries.**—In order to show the manner of doing the work and give illustrations of the statements and entries explained above, we will assume that we have a single-entry Ledger containing the accounts shown by the accompanying Ledger pages 1-9.

Fig. 3 shows the Statement of the Ledger.

With Inventories as given in Fig. 4, a Statement of the Business would be as shown in Fig. 5.

The Journal entry giving the proprietor's loss is shown in Fig. 6.

Fig. 7 shows how the loss is posted to the proprietor's account and the account balanced and ruled and the balance brought down as a new investment.

1

Geo. F. Blake

[illegible]

2

E. W. Griffith.

[illegible]

3

D. E. Hart

[illegible]

**4**

J. C. Hoyt.

[illegible]

5

[illegible]

6

[illegible]

7

[illegible]

8

[illegible]

[illegible]

2

Statement of the Ledger, July 15, 1900

1	Geo. F. Blaker		117461	126
2	C. Griffiths	288 58	62 90	
3	Dir. Hart	13 68		
4	J. G. Hoyt	271 39	121	—
5	J. T. Parker	251 12		
6	Edw. Bryce	63 94		
7	S. L. Hares	121 72	438	86
8	Jas. Thomas		195	68

**FIG. 8**

3

Inventories, July 15, 190

Cash	4584.76
Real Estate	4406 —
Merchandise	4421.66
Insurance	124.59
Coal	57 —
Notes Receivable	—
— Jno. L. Witter, goods, due Aug. 5	292.75
Mortgage Payable	2000 —
Notes Payable	—
— W. W. Chace, loan, due Aug. 5	438.25

**FIG 4**

4

Statement of the Business July 15, 1901				
<b>Resources:</b>				
Cash on hand,		4504.76		
Real Estate, stores,		4400 —		
Merchandise, inventory,		4421.66		
Insurances,	"	124.59		
Boats,	"	57 —		
Notes Receivable: —				
— Geo. L. Kaitz, goods, due Aug 5,		292.75		
Accounts Receivable: —				
— E. W. Griffith,		235.69		
— D. E. Kaitz,		23.67		
— J. G. Kout,		150.39		
— J. T. Parker,		251.12		
— Edw. Rice,		63.94		
		1466.57		
<b>Liabilities:</b>				
Notes Payable: —				
— W. N. Chace, 4 mos, due Aug 5,		451.25		
Mortgage Payable,		2000 —		
Accounts Payable: —				
— S. L. Ware,		317.14		
— Jas. Thomas,		195.65		
Geo. F. Blake's Pres. Worth,		2951.07		
		11714.51		
<b>Geo. F. Blake, Proprietor</b>				
Present Worth, July 1, 1901,		11746.14		
" " " 15, "		11714.51		
Loss,		26.63		

FIG. 5

2

[illegible]

**FIG. 6**

1

Geo. F. Blake

1921		1922				
July 15	2	266.63	July 1	1	11774.1	1.46
15 Balance		11714.58				
		11774.1.46			11774.1.46	
			July 15 Balance		11714.51	

**FIG. 7**

## CHANGING TO DOUBLE ENTRY

6. In double-entry bookkeeping, an account is kept with everything dealt in as well as with every person, and the Ledger must always be in balance; therefore, in order to change the books from single entry to double entry, an account must be opened in the Ledger with every item of resources and liabilities not already shown there, except the item of cash, an account of which is kept in the Cash Book. The cash account may be kept in the Ledger, but it is more convenient to keep it in a separate book, which, in double-entry bookkeeping, is considered a part of the Ledger.

2

*July 16, 1900*

10 Real Estate	Dr.	4000 —	
11 Merchandise	"	4021 66	
12 Insurance	"	1245 59	
13 Coal	"	57 —	
14 Notes Receivable	"	292 75	
15 Notes Payable	Cr.		438 25
16 Mortgage Payable	"		2000 —
<i>Entries necessary to change the books from single to double entry.</i>			

FIG. 8

The Statement of the Business given in Fig. 5 shows all the resources and liabilities, those that are already on the Ledger as well as those that are not. Fig. 8 shows the Journal entries necessary to carry to the Ledger the accounts that are not yet there. The items are posted as shown by Ledger pages 10-16, debiting the resource accounts and crediting the liability accounts. The items bear the date of the next working day after the single-entry books were closed; that is, they bear the date of the beginning of the next business period.







When the new accounts have been opened in the Ledger, it is necessary to take a Trial Balance in order to determine the correctness of the work before proceeding with the books by double entry. This is shown in Fig. 9. It is a list of all the unsettled accounts in the Ledger, with the debit and credit footing of each, and the balance of the cash account.

When books are changed from single to double entry in the manner shown, it is not necessary to make an opening

8

*Trial Balance, July 16, 1900*

1	Cash,	4554.76	
1	Geo. F. Blake,		11714.51
2	C. W. Griffiths,	298.59	62.90
3	D. G. Nash,	83.68	
4	J. C. Kaye,	271.39	121. —
5	J. T. Parker,	251.12	
6	Edw. Rice,	63.94	
7	L. W. Ware,	121.72	438.86
8	Jas. Thomas,		195.68
10	Real Estate,	4400. —	
11	Merchandise,	4421.66	
12	Insurance,	124.59	
13	Coal,	57. —	
14	Notes Receivable,	292.75	
15	Notes Payable,		438.25
16	Mortgage Payable,		2000. —
		14871.20	14871.20

FIG. 9

entry; if it is desired to do so, however, the entries given may be omitted and the posting done from the items of the opening entry, checking such accounts as already appear on the Ledger.

Representative accounts, such as Expense, Salaries, Wages, Interest and Discount, Loss and Gain, etc., will be opened whenever there are any transactions to be debited or credited to those accounts. Some proprietors prefer to have all the

outlays for carrying on the business, like rent, fuel, light, commissions, salaries, wages, freight, expressage, cartage, postage, etc., debited to the Expense account. Others, for various reasons, prefer to have separate accounts for many or all of these outlays. Freight and expressage on merchandise received are often debited to Merchandise account, as the cost of the goods is increased by the outlays for transportation.

Advertising, when done in a small way for the purpose of obtaining help or making occasional announcements, is properly treated as an outlay for carrying on the business, but when done on a large scale for the purpose of creating a demand for goods, it should be treated as a resource.

---

## CLOSING DOUBLE-ENTRY BOOKS AND CHANGING TO SINGLE ENTRY

---

### CLOSING

7. We will suppose that the books have been kept for some time by double entry, the Ledger accounts being as shown by Ledger pages 1-18, and the cash balance being \$4,935.70, and that it is desired to close the books. The first operation is to take a Trial Balance, which is shown in Fig. 10, and then get the Inventories, which are shown in Fig. 11; the Statement of the Business, which is shown in Fig. 12, is then made out from the Trial Balance and Inventories. The next step is to enter, in red ink, the Inventories on the credit side of the accounts to which they belong, after which all speculative accounts are closed to the Loss and Gain account and this to the proprietor's account, which is balanced, as are also all non-speculative accounts except the personal accounts. All accounts that balance, or are balanced, are ruled up, when the closing of double-entry books is complete.

1

*Gro. F. Blake*

1901				1902			
July 15	2	266.3	July 1	1	1174.1	1.46	
15 Balance		11714.51					
		11744.1			11744.1	1.46	
			July 16 Balance		11714.51		

2

*E. W. Griffith*

1901				1902			
July 1	1	272.80	July 5	7	12.90		
6	4	18.18	22	68	209.90		
11	12	7.60					
18	14	192.60					

3

*D. E. Hart*

1901				1902			
July 1	1	62.31	July 24	60	83.68		
6	6	21.34					
20	14	176.24					

4

*J. C. Hoyt*

1901				1902			
July 1	1	271.39	July 12	7	121		
22	14	782.4	26	68	150.39		

5

5

*J. T. Parker.*

1891			1891		
July 1	1	189 67	July 25	CB	189 67
9	4	61 43			
24	14	62 40			
					</

6

*Edw. Price.*

1891			
July 1	1	63 94	

7

8

S. L. Ware.

1891

July 14	5	12	172
23	G.B.	117	14

1891

July 1	1	32	172
	9	117	14
		12	240

8

8

*Jas. Thomas.*

1891		1891			
July 27	CB	124 36	July 1	1	124 36
			6	P	71 32
				12	62 —

9

[illegible]

10

[illegible]

11

[illegible]

12

[illegible]

13

<i>Coal</i>									
<i>July 16</i>									

14

<i>Notes Receivable</i>									
<i>July 16</i>									

15

<i>Notes Payable</i>									

16

<i>Mortgage Payable</i>									

17

Expense.

[illegible]

18

Wages.

[illegible]



**9**

*Trial Balance, July 31, 1900*

1	Geo. F. Blake,	10714.51
2	C. W. Griffith,	4411.90
3	D. C. Hart,	254.92
4	J. C. Hoyt,	344.68
5	J. T. Parker,	313.52
6	Edw. Price,	63.94
7	J. L. Waser,	238.86
8	Jas. Thomas,	124.36
9	D. J. Rogers,	117.10
10	Real Estate,	4400 —
11	Merchandise,	4540.76
12	Insurance,	124.59
13	Coal,	57 —
14	Notes Receivable,	292.75
15	Notes Payable,	438.25
16	Mortgage Payable,	2000 —
17	Expenses,	420 —
18	Wages,	32 —
19	Cash,	4235.70
		16533.47

FIG. 10

10

*Inventories, July 31, 1900*

	Merchandise,	4540.76
	Insurance,	124.59
	Coal,	57 —

FIG. 11

# Statement of the Business, July 31, 1900

Resources:			
Cash,		4935.70	
Real Estate,		4400.00	
Merchandise,		4458.60	
Insurances,		119.10	
Coal,		49.00	
Notes Receivable,		2027.50	
Accounts Receivable,		6607.10	595
Liabilities:			
Notes Payable,		435.25	
Mortgage Payable,		2000.00	
Accounts Payable,		6904.23	67
Geo. F. Blake's Net Worth,		11757.25	
Gains:			
Merchandise Sold,	509.50		
Inv't,	4458.60		
Produced,	4967.10		
Cost,	4540.70		
Gain,	127.30		127.30
Losses:			
Insurance —			
Cost,	124.00		
Inv't,	119.10		
Loss,	54.10		54.10
Coal —			
Cost,	57.00		
Inv't,	49.00		
Loss,	8.00		8.00
Expense —			
Cost,	32.00		
Wages —			
Cost,	32.00		54.60
Geo. F. Blake's net gain,			72.70
Geo. F. Blake, Proprietor			
Net investment, July 15,		11714.50	
Net gain, July 31,		72.70	
Present Worth, July 31,		11787.20	

FIG. 12

**NOTE.**—In this statement, the gains and losses are shown separately, and the difference between the total gains and total losses is shown as the proprietor's net gain. The accounts receivable and accounts payable are not itemized. When there are but a few personal accounts in the Trial Balance, it is well to show them separately in the Statement of the Business, but if there are many, it is better to show, as in this case, only the totals.

#### CHANGING TO SINGLE ENTRY

8. Changing books from double entry to single entry is a simple matter. It will readily be seen that the closing of the books balances all speculative accounts. By bringing down the balance of the proprietor's account, as shown in Fig. 13, only this and the other personal accounts will remain

1

<i>Geo. F. Blake.</i>			
<sup>100</sup> July 15	<sup>100</sup> 2	266.3	July 1
15 Balances		11741.51	11741.14
		11741.14	11741.14
July 16 Balances		11757.25	July 16 Balances
		11757.25	11741.51
			31 L. & G. 19
			72.77
		11757.25	11757.25
			Aug 1 Balances
			11757.25

FIG. 13

open on the Ledger, thus discontinuing the balanced accounts shown by Ledger pages 10-19 and leaving the books as if they had previously been kept by single entry.

If the double-entry method were to be continued, the inventories and other resource balances would be brought down to the debit side of the respective accounts and the liability balances to the credit side of the respective accounts.

#### OPENING ENTRY FOR DOUBLE-ENTRY BOOKS

9. **Form.**—To cover the whole ground of opening, closing, and changing books, it is now necessary but to make an opening entry for double-entry books. Using the resources and liabilities given in Fig. 1, an opening entry for double-entry books would be as shown in Fig. 14. It will be



13

*Coal*

<i>July 10</i>	<i>2</i>	<i>57</i>	<i>July 31</i>	<i>Inv't.</i>	<i>10</i>	<i>49</i>	<i>—</i>
				<i>L. &amp; G.</i>	<i>19</i>	<i>1</i>	<i>—</i>
		<i>57</i>				<i>57</i>	<i>—</i>

14

*Notes Receivable*

<i>July 10</i>	<i>2</i>	<i>292.75</i>	<i>July 31</i>	<i>Balance</i>		<i>292.75</i>	

15

*Notes Payable*

<i>July 31</i>	<i>Balance</i>	<i>438.25</i>	<i>July 10</i>	<i>2</i>	<i>438.25</i>	

16

*Mortgage Payable*

<i>July 31</i>	<i>Balance</i>	<i>2000</i>	<i>July 10</i>	<i>2</i>	<i>2000</i>	<i>—</i>

17

## Expense

[illegible]

18

Wages.

[illegible]

19

Loss & Gain

196			197			
July 31	Ins.,	12	541	July 31	Ins., 11	127.38
	Coal,	13	8 -			
	Expenses,	17	920			
	Wages,	18	32 -			
	31 - Grand Balance 1		727.77			
			127.38			127.38









# CORPORATION ORGANIZATION AND BOOKKEEPING

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## CORPORATION ORGANIZATION

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### INTRODUCTION

**1. Nature of a Corporation.**—Under the laws of the various states, a certain number of persons, usually three or more, may form a corporation to carry on any manufacturing, mercantile, or industrial business. Such a corporation is considered in law as an artificial person having an existence distinct from that of the individuals composing it. From this fact of a separate artificial personality arise the two chief characteristics that distinguish a corporation from an ordinary firm or copartnership:

*First.*—That the stockholders of a corporation are not liable for the debts of the corporation.

*Second.*—That a corporation continues to exist either perpetually or for a term fixed in its charter without regard to any changes that may occur from time to time of persons composing it by the withdrawal or death and the substitution of new members.

Under the general principles of law, each member of a firm or partnership, however large or small his interest may be, is individually liable to creditors for all of the debts incurred by such partnership and by any of its members in carrying on the partnership business. No agreement between the parties themselves can change this.

The death or withdrawal of any member of a partnership terminates the partnership, rendering necessary a settlement

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of accounts between the members and the drawing of new articles of agreement between such of the partners as will continue the business.

To avoid the inconvenience and in many cases the harsh and unjust effect of these rules, laws were passed at an early period in the history of many of the states authorizing the formation of manufacturing and industrial corporations, thereby enabling men to engage in business without being liable for all the debts contracted by themselves and their associates in the business and without subjecting themselves wholly to the evil consequences that the uncertainty of life or fortune might at any time cause in the carrying on of their business.

The fact that a corporation is a legal entity—that is, has an existence separate and distinct from that of the persons composing it—must always be borne in mind. The property of a corporation is its own and not that of any individual stockholder or director, and any stockholder or director that forgets this simple rule and treats such property in the manner in which partnership property is often treated by individual members of a firm, is likely to involve himself in serious difficulties.

**2. Powers of a Corporation.**—A corporation has only such powers as are expressly or impliedly conferred on it by its charter, and any act not within the powers so conferred is impliedly prohibited. Whether or not the doing of such act would be beneficial to the corporation is not the point; the only question is whether it has the power by its charter to do such act. By the charter is meant the certificate of incorporation drawn up and filed in conformity with the statute law (the legislative enactment) under which the corporation is formed together with the statute under which it is drawn.

The promoters or organizers of a corporation desire, as a general thing, that its powers shall be as broad as possible, and it is customary, therefore, to provide in the certificate of incorporation that the corporation shall have the power to transact the particular business for which it is formed, and

also all other business that the incorporators can foresee may be advantageous to carry on at any time in the future. With a certificate carefully drawn, the corporation may be clothed with powers as extensive for all practical purposes as those of a natural person.

While a corporation is thus limited in its powers, it cannot plead its own incapacity as an excuse for injuring a person with whom it deals; if that person has carried out his part of the contract, the corporation must perform its part, even though the contract be *ultra vires*—that is, beyond the powers; nor can such person take advantage of the lack of power of the corporation if it has fully performed its part.

**3. Scope of Subject.**—It is the intention to treat here only of that great class of miscellaneous private corporations formed to carry on ordinary commercial pursuits, and no reference is made to the principles of law applicable especially to railroad companies, banks, trust companies, insurance companies, or other corporations having more or less public duties and functions to perform.

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### FORMATION OF CORPORATIONS

**4. Authority.**—Corporations were formerly created in the United States by special legislative acts. It was found, however, that this method interfered seriously with public interests, and the legislatures of many of the states enacted general laws under which corporations could be formed. In some of the states provisions were inserted in the constitution prohibiting the legislature from passing special acts of incorporation and requiring general laws to be passed under which corporations of all kinds might be formed; and even in the states where it is still within the power of the legislature to grant a special charter or act of incorporation, the right is rarely exercised, corporations being formed under general acts.

In New Jersey there is a constitutional prohibition against the granting of special charters, and since 1875 all corporations have been formed under general acts.

The laws of New Jersey for many years have been liberal to corporations, and that state has been the most popular one in the Union for the incorporation of companies, whether formed to do business in New Jersey or in other states and countries. The policy of the state has been to encourage the formation of corporations, and many years ago a law was passed expressly authorizing corporations formed in New Jersey to carry on business and to own property in other states and countries, requiring a nominal office only to be maintained within the state. For this privilege a moderate organization fee and a small annual tax is charged. The organization fee is 20 cents for each \$1,000 of the authorized capital stock, with a minimum fee of \$25, and the annual tax is one-tenth of 1 per cent. on the first \$3,000,000 of capital stock issued and outstanding, one-twentieth of 1 per cent. on the next \$2,000,000, and \$50 for each million in excess of \$5,000,000.

The liberality of the law and the fixed policy of the state to encourage the formation of corporations attracted citizens of other states having corporations to form, and the fashion of incorporating in New Jersey became established and has continued to the present time. A large majority of the great industrial corporations, or trusts, as well as a great number of smaller corporations, have been formed under the New Jersey laws, being attracted specially by the provisions of the corporation act authorizing New Jersey corporations to do business in other states, and by other provisions making the judgment of directors conclusive as to the value of property purchased with stock, and authorizing such corporations to purchase and hold the stock and bonds of other corporations. This policy proved to be a very profitable one to the state, the revenues derived from the taxes and fees imposed on corporations having for many years been sufficient to defray practically all the expenses of the state government.

Other states, seeing the profitableness of the liberal corporation laws of New Jersey, proceeded to amend their own, taking those of that state as a model. This has led to a

uniformity in certain particulars in the corporation laws of many of the states, among which may be mentioned New York, Delaware, Maine, and North Carolina. It will be understood, however, that while in these and other states also the laws are based on the same general principles, the procedure for incorporation varies somewhat in each. It is impossible in these pages to describe in detail the method in each state, but as many companies are incorporated in New Jersey, the procedure in that state will be taken as a basis.

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#### INCORPORATION IN NEW JERSEY

**5. Requirements.**—Three or more persons of the age of 21 or over, male or female, citizens of New Jersey or of any other state or country, may form a corporation under the provisions of "An Act Concerning Corporations (Revision of 1896)" by making and filing what is called a **certificate of incorporation**, popularly known as the charter of the corporation. This certificate must set forth:

I. The name of the corporation.

II. The location of the principal or registered office, and the name of the person or trust company in charge of such office upon whom process against the corporation may be served.

III. The object or objects for which the corporation is formed, that is, the business or various kinds of business to be carried on.

IV. The amount of the authorized capital stock, not less than \$2,000, the number of shares, and the par value of each share; the amount of capital stock with which it will begin business, not less than \$1,000, and if there is to be more than one class of stock, a description of each of the classes with the terms on which each class is created and the total amount of each class.

V. The names and post-office addresses of the incorporators and the number of shares subscribed for by each.

VI. The period, if any, limited for the duration of the company.

The certificate of incorporation may also contain any provision that the incorporators may choose to insert for the regulation of the business and for the conduct of the affairs of the corporation, and any provision not inconsistent with the corporation act creating, defining, limiting, and regulating the powers of the corporation, the directors, and the stockholders, or any class or classes of stockholders.

The certificate of incorporation having been signed by the incorporators and acknowledged before the proper officer, a notary public, commissioner of deeds, or other officer authorized by law to take the acknowledgments of deeds, is recorded in the office of the clerk of the county in which the principal office is located. After being so recorded, the certificate of incorporation is filed in the office of the secretary of state, at which time the fee must be paid.

The location of the registered office and the name of the registered agent are also required to be given in any paper filed by the corporation in any public office in the state.

All stockholders' meetings must be held at the registered office, even where the business is conducted exclusively outside of the state and where all the officers except a nominal resident New Jersey director reside outside of the state. Certain trust companies in New Jersey make a regular business of providing offices for such corporations, keeping the stock and transfer books as required by law and providing rooms for the holding of annual and special meetings.

**6. Certificate of Incorporation.**—In order that a clear idea may be formed of the manner of incorporating a company under New Jersey laws, we shall take up the papers and proceedings in regular order, beginning with the certificate of incorporation, which is as follows:

#### CERTIFICATE OF INCORPORATION

##### OF THE

#### PAN-AMERICAN PRINTING COMPANY

We, the undersigned, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of an Act of the Legislature of the state of New Jersey entitled "An Act

Concerning Corporations (Revision of 1896)'' and the acts amendatory thereof and supplemental thereto, DO HEREBY CERTIFY as follows:

I. The name of the corporation is:

''PAN-AMERICAN PRINTING COMPANY.''

II. The location of its principal office in the state of New Jersey is No. 15 Exchange Place, Jersey City. The name of the agent therein and in charge thereof, upon whom process against this corporation may be served, is The Corporation Trust Company of New Jersey.

III. The objects for which the corporation is formed are:

To carry on the business of printers, engravers, lithographers, bookbinders, and manufacturers of envelopes and blank books of all kinds.

To publish books, magazines, newspapers, and other periodicals, engravings, lithographs, etchings, wood cuts, pictures, and illustrations of all kinds.

To carry on the business of booksellers and stationers and of dealers in office supplies of all kinds.

To acquire the good-will, rights, property, and assets of all kinds, and to undertake the whole or any part of the liabilities of any person, firm, association, or corporation, and to pay for the same in cash, stock, bonds, debentures, or other securities of this corporation, or otherwise.

To acquire by purchase, subscription, or otherwise, and to hold or to dispose of stocks, bonds, or any other obligations of any corporation, association, or company.

To hold for investment or otherwise, to use, sell, or dispose of any stock, bonds, or other obligations of any such other corporation, domestic or foreign.

The business or purpose of the corporation is from time to time to do any one or more of the acts and things herein set forth, and it may conduct its business in other states and countries, and may have one office, or more than one office, and keep the books of the corporation outside of the state of New Jersey, except as otherwise may be provided by law; and the corporation may hold, purchase, mortgage, and convey real and personal property in and out of the state of New Jersey.

Without in any particular limiting any of the objects and powers of the corporation, it is hereby expressly declared and provided that the corporation shall have power to issue bonds and other obligations in payment for property purchased or acquired by it, or for any other corporate purpose, to secure any bonds or other obligations by it issued or incurred, to guarantee any dividends, or bonds, or contracts, or other obligations, to make and perform contracts of any kind and description and in carrying on its business, or for the purpose of attaining or furthering any of its objects, and to do any and all other acts and things, and to exercise any and all of the powers,

which a copartnership or natural person could do and exercise, and which now or hereafter may be authorized by law.

IV. The total authorized capital stock of the corporation is one hundred thousand dollars (\$100,000), divided into one thousand shares of the par value of one hundred dollars (\$100) each.

V. The names and post-office addresses of the incorporators, and the number of shares for which we do hereby severally and respectively subscribe (the aggregate of such subscriptions, one thousand dollars, being the amount of capital stock with which the corporation will commence business) are as follows:

Name	Post-Office Address	No. of Shares
John Howard	15 Exchange Place, Jersey City, New Jersey	Five
Benjamin Franklin	15 Exchange Place, Jersey City, New Jersey	Four
George Smith	15 Exchange Place, Jersey City, New Jersey	One

VI. The duration of the corporation is to be perpetual.

VII. The number of the directors may be increased as may be provided in the by-laws. In case of any increase of the number of the directors, the additional directors shall be elected as may be provided in the by-laws by the directors or by the stockholders at an annual or special meeting.

In case of any vacancy among the directors, through death, resignation, disqualification, or other cause, the remaining directors, by affirmative vote of a majority thereof, may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant, and until the election of a successor.

The board of directors shall have power to hold their meetings and keep the books of the corporation, other than the stock and transfer books, outside of the state of New Jersey at such places as from time to time may be designated by the by-laws or by resolution of the board. The by-laws may prescribe the number of directors necessary to constitute a quorum of the board of directors, which number may be less than a majority of the whole number of the directors.

The board of directors may by the affirmative vote of a majority of the whole board, appoint from the directors an executive committee, of which a majority shall constitute a quorum; and, to such extent as shall be provided in the by-laws, such committee shall have and may exercise all or any of the powers of the board of directors, including power to cause the seal of the corporation to be affixed to all papers that may require it.



The board of directors shall have power, from time to time, to fix and to determine and to vary the amount of the working capital of the company; and to direct and determine the use and disposition of any surplus or net profits over and above the capital stock paid in; and in its discretion the board of directors may use and apply any such surplus or accumulated profits in purchasing or acquiring the bonds or other obligations of the company, or shares of its own capital stock, to such extent and in such manner and upon such terms as the board of directors shall deem expedient; but shares of such capital stock so purchased or acquired may be resold, unless such shares shall have been retired for the purpose of decreasing the company's stock as provided by law.

The board of directors shall determine, from time to time, whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the corporation, or any of them, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any account or book or document of the corporation, except as conferred by statute or authorized by the board of directors or by a resolution of the stockholders.

Subject always to by-laws made by the stockholders, the board of directors may make by-laws, and, from time to time, may alter, amend, or repeal any by-laws; but any by-laws made by the board of directors may be altered or repealed by the stockholders at any annual meeting, or at any special meeting, provided notice of such proposed alteration or repeal be included in the notice of the meeting.

The corporation reserves the right to amend, alter, or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF we have hereunto set our hands and seals this second day of March, 190 .

In presence of

EDWARD MURPHY.

JOHN HOWARD.

[L. S.]

BENJAMIN FRANKLIN.

[L. S.]

GEORGE SMITH.

[L. S.]

#### ACKNOWLEDGMENT

State of New York }  
County of New York }<sup>ss.</sup>

BE IT REMEMBERED that on the second day of March, A. D. nineteen hundred and three, before me, the undersigned, a foreign commissioner of deeds for New Jersey in New York, personally appeared John Howard, Benjamin Franklin, and George Smith, who I am satisfied are the persons named in and who executed the foregoing certificate, and I having first made known to them, and to each

of them, the contents thereof, they did each acknowledge that they signed, sealed, and delivered the same as their voluntary act and deed.

EDWARD MURPHY,

[Commissioner's Seal]

*Foreign Commissioner of Deeds  
for New Jersey in New York.*

**7. Organization Meeting.**—The certificate of incorporation having been properly filed, the incorporators are required to hold an organization meeting at the principal office in New Jersey named in the certificate of incorporation. Notice of this meeting must be published or sent by mail to each incorporator, unless publication and notice are waived by the incorporators, which is usually done. Incorporators may attend the meeting in person or be represented by proxy. At this meeting, the first business to be done is to adopt by-laws—that is, regulations concerning stockholders' meetings, directors' meetings, the transfer of stock, and the general management of the business. The by-laws follow.

#### BY-LAWS

#### OF THE

#### PAN-AMERICAN PRINTING COMPANY

#### OFFICES

1. The registered office shall be at No. 15 Exchange Place, Jersey City, New Jersey.
2. The company may also have an office and place of business in the city of Scranton, Pennsylvania, and also have offices at such other places as the board of directors may appoint.

#### SEAL

3. The corporate seal of the company shall have inscribed thereon the name of the company, the year of its creation, and the words "Corporate Seal, New Jersey."

#### STOCKHOLDERS' MEETINGS

4. All meetings of the stockholders shall be held at the registered office.
5. Stockholders may vote at all meetings either in person or by proxy in writing. All proxies shall be filed with the secretary of the meeting before being voted upon.
6. A majority in amount of the stock issued and outstanding represented by the holders in person or by proxy shall be requisite

to constitute a quorum for the election of directors or for the transaction of any business, except to adjourn; a majority in interest of the stockholders attending the meeting may adjourn the same to a fixed time.

7. The annual meeting of stockholders, after the year 190—, shall be held on the second Wednesday of January, in each year, at the registered office of the company in New Jersey, at 10 o'clock A. M., when they shall elect, by a plurality vote, by ballot, a board of six directors, one of whom shall be an actual resident of New Jersey, to serve for one year and until their successors are elected or chosen and qualify, each stockholder being entitled to one vote, in person or by proxy, for each share of stock standing registered in his or her name on the twentieth day preceding the election, exclusive of the day of such election.

8. Written notice of the annual meeting shall be mailed to each stockholder, at his address as the same appears on the stock book of the company, at least ten days prior to the meeting.

9. Such election shall be conducted by two inspectors, who may or may not be stockholders, appointed by the presiding officer of the meeting. The inspectors shall be sworn to faithfully perform their duties and shall in writing certify to the returns. No person who is a candidate for the office of director shall be an inspector.

10. A full list of the stockholders entitled to vote at the ensuing election, arranged in alphabetical order, with the residence of each, and the number of shares held by each, shall be prepared by the secretary and filed in the registered office at least ten days before every election, and shall at all times, during the usual hours for business, be open to the examination of any stockholder.

11. Special meetings of the stockholders may be called by the president, and shall be called at the request in writing or by vote of a majority of the board of directors, or at the request in writing by stockholders of record owning a majority in amount of the capital stock of the company issued and outstanding.

12. A written notice stating the day, hour, and place of the meeting and the general nature of the business to be transacted shall be sent to each stockholder of record at least five days, exclusive of the day of mailing, before the date of every special meeting, at his address as given on the stock book of the company, or, if no address be given therein, to the last address of such stockholder known to the secretary.

#### FIRST MEETING OF THE DIRECTORS AFTER ELECTION

13. The newly elected board may meet at such place and time as shall be fixed by the vote of the stockholders at the annual meeting, for the purpose of organization and otherwise, and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a majority of the whole board

shall be present; or such place and time may be fixed by the consent in writing of the directors.

14. At the first meeting after their election the board shall choose a president and a vice-president from their own number.

15. The board of directors shall also annually appoint at such meeting a secretary and a treasurer, who need not be members of the board, who shall hold office during the pleasure of the board.

16. Excepting always the president and the vice-president, all appointed officers shall be subject to removal by resolution of the board at any time, with or without cause, provided a majority of the board shall vote in favor thereof.

#### MEETINGS OF THE BOARD

17. Regular meetings of the board shall be held without notice on the second Wednesday of each month, at 12 o'clock noon, at the office of the company in the city of Scranton.

18. Three directors shall constitute a quorum for the transaction of any business at all meetings of the board.

19. Special meetings of the board to be held at the company's office in the city of Scranton, may be called by the president on one day's notice to each director, either personally or by wire; special meetings may be called in like manner and on like notice, on the written request of two directors. Special meetings may be held at any place and time by the written assent of all the directors.

20. The directors may have one or more offices, and keep the books of the company, except the stock and transfer books, outside of New Jersey, at the office of the company in the city of Scranton, or at such other places as they may from time to time determine.

#### POWERS OF DIRECTORS

21. A board of six directors shall have the management and control of the business and property of the company.

#### EXECUTIVE COMMITTEE

22. There may be an executive committee of three directors appointed by the board, who may meet at stated times, or on notice to all by any of their own number; they shall advise with and aid the officers of the company in all matters concerning the interests and the management of its business, and generally perform such duties and exercise such powers as may be directed or delegated by the board of directors from time to time. The board may delegate to such committee authority to exercise all the powers of the board while the board is not in session.

23. The executive committee may act by the written consent of all the members thereof, although not formally convened.

24. The executive committee shall keep regular minutes of its proceedings and report the same to the board when required.

## COMPENSATION OF DIRECTORS

25. Directors, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the board; provided, that nothing herein contained shall be construed to preclude any director from serving the company in any other capacity, and receiving such remuneration therefor as shall be authorized by the board.

26. Members of special or standing committees may be allowed like compensation for attending committee meetings.

## THE PRESIDENT

27. The president shall be the chief executive officer of the company, and shall preside at all meetings of the stockholders and directors; he shall have general and active management of the business of the company; shall see that all orders and resolutions of the board and of the executive committee are carried into effect; shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the company; shall keep in safe custody the seal of the company, and, when authorized by the board, affix the seal to any instrument requiring the same; and the seal when so affixed shall be attested by the signature of the secretary or treasurer. He or the vice-president shall sign certificates of stock.

28. He shall have general superintendence and direction of all the other officers of the company, and shall see that their duties are properly performed.

29. He shall be *ex officio* a member of all standing committees, and shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation.

## THE VICE-PRESIDENT

30. The vice-president shall be vested with all the powers and shall perform all the duties of the president in the absence of the latter from his office.

## THE SECRETARY

31. The secretary shall attend all sessions of the board and all meetings of the stockholders and act as clerk thereof, and shall record all votes and the minutes of all proceedings in a book or books to be kept for that purpose; and shall perform like duties for the executive committee or any other committee of the board when required. He shall give, or cause to be given, notice of all meetings of the stockholders and of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, and under whose supervision he shall be. He shall be sworn to the faithful discharge of his duty.

#### THE TREASURER

32. The treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the company, and shall deposit all moneys and other valuable effects in the name and to the credit of the company, in such depositories as may be designated by the board of directors.

33. He shall disburse the funds of the company as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and directors, at the regular meetings of the board, or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the company.

34. He shall give the company a bond in a sum, and with one or more sureties, satisfactory to the board, for the faithful performance of the duties of his office, and for the restoration to the company, in case of his death, resignation, or removal from office, of all books, papers, vouchers, money, or other property of whatever kind in his possession or belonging to the company.

#### VACANCIES

35. If the office of any director, or of the president, vice-president, secretary, or treasurer, one or more, becomes vacant, by reason of death, resignation, disqualification, or otherwise, the directors in office, although less than a quorum, by a majority vote, may choose a successor or successors, who shall hold office for the unexpired term.

#### OFFICERS MAY RESIGN

36. Any director or other officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the company, unless some time be fixed in the resignation, and then from that time. The acceptance of a resignation shall not be required to make it effective.

#### DUTIES OF OFFICERS MAY BE DELEGATED

37. In case of the absence of any officer of the company, or for any other reason that the board may deem sufficient, the board may delegate the powers or duties of such officer to any other officer, or to any director for the time being; provided, a majority of the entire board concur therein.

#### CERTIFICATES OF SHARES AND TRANSFERS

38. The certificates for shares of the capital stock of the company shall be in such form, not inconsistent with the certificate of incorporation as shall be prepared or be approved by the board of directors. The certificates shall be signed by the president or vice-president and also by the treasurer.

39. All certificates shall be consecutively numbered. The name of

the person owning the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the company's books.

40. No certificate shall be valid unless it is signed by the president or vice-president and by the treasurer:

41. All certificates surrendered to the company shall be canceled, and no new certificate shall be issued until the former certificate for the same number of shares of the same class shall have been surrendered and canceled.

42. Shares in the capital stock of the company shall be transferred only on the books of the company by the holder thereof in person, or by his attorney, upon surrender and cancelation of certificates for a like number of shares.

43. The board of directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer, and registration of certificates for shares of the capital stock of the company.

44. The board of directors may appoint a transfer agent, and may require all stock certificates to bear the signature of such transfer agent.

45. The stock transfer books shall be closed for the meetings of the stockholders, and for the payment of dividends, during such periods as from time to time may be fixed by the board of directors and during such periods no stock shall be transferable.

46. The company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not be bound to recognize any equitable or other claim to, or interest in, such share, on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by statute of New Jersey.

#### LOSS OF CERTIFICATE

47. Any person claiming a certificate of stock to be lost or destroyed, shall make an affidavit or affirmation of that fact and advertise the same in such manner as the board may require, and shall give the company a bond of indemnity in form and with one or more sureties satisfactory to the board, in at least double the par value of such certificate, whereupon the president and treasurer may issue a new certificate, of the same tenor with the one alleged to be lost or destroyed.

#### INSPECTION OF BOOKS AND ACCOUNTS

48. The books, accounts, and records of the company shall be open to inspection by any member of the board of directors at all times; stockholders may, in the discretion of the board, inspect the books of the company at such reasonable times as the board of directors may by resolution designate.

**FISCAL YEAR**

49. The fiscal year shall begin the first day of January and end on the thirty-first day of December in each year.

**DIVIDENDS**

50. Dividends on the capital stock, when earned, shall be declared semiannually at the regular meetings of the board of directors in January and July of each year.

**DIRECTORS' ANNUAL STATEMENT**

51. The board of directors shall present at each annual meeting, and when called for by the stockholders at any special meeting of the stockholders a full and clear statement of the business and condition of the company.

**NOTICE**

52. Whenever notice is required by statute or by these by-laws to be given to stockholders, or to directors, or to any officer of the company, personal notice is not meant unless expressly so stated; and any such notice so required shall be sufficient if given by depositing the same in a post-office box in a sealed postpaid wrapper, addressed to such stockholder, director, or officer at his last address given in the books of the company; and such notice shall be deemed to have been given at the time of such mailing, and if given by wire at the time the same is delivered to the telegraph company.

**AMENDMENTS**

53. The stockholders, by the affirmative vote of a majority of the stock issued and outstanding, may at any regular, or upon notice at any special, meeting, alter or amend these by-laws.

54. The board of directors, by the affirmative vote of three members, may alter or amend these by-laws, but no alteration or amendment shall be made unless proposed at a regular or special meeting called for the purpose and adopted at a subsequent regular meeting.

At the first meeting the incorporators also elect a board of three or more directors, according to the number fixed by the by-laws, to hold office until the first annual meeting of stockholders; and resolutions are adopted authorizing the directors to purchase property to be used for the company's business, authorizing the issue of shares of stock in payment of such property, and authorizing the directors to issue the remainder of the shares of stock from time to time as they determine shall be necessary.

The minutes of this meeting, when written up, would ordinarily be somewhat as follows:



## MINUTES OF FIRST MEETING OF INCORPORATORS

The first meeting of the corporation was held on the fourth day of March, 190 , at 10 o'clock in the forenoon, at the registered office of the company, No. 15 Exchange Place, Jersey City, N. J., pursuant to a written waiver of notice, signed by all the incorporators, fixing said time and place.

The following incorporators were present in person or represented by proxy:

John Howard, in person;

George Smith, in person; and

Benjamin Franklin, by Charles Johnson, proxy;

being all of the incorporators of the company.

On motion, Mr. Howard was elected chairman, and Mr. Smith was appointed secretary of the meeting.

The chairman reported that the certificate of incorporation of the company was recorded in the office of the clerk of Hudson county, on the second day of March, 190 , and was filed on the third day of March, 190 , in the office of the secretary of state of New Jersey, and presented a certified copy of said certificate of incorporation.

The secretary presented and read the waiver of notice of the meeting.

The proxy above mentioned was presented and ordered to be filed.

The secretary presented a form of by-laws for the regulation of the affairs of the company, which were read, article by article, and unanimously adopted.

Messrs. James French and John Ellis were appointed inspectors of election and the oath was duly administered to them.

The secretary presented the following transfers of subscription:

John Howard to Frederick Jackson, for one share of stock;

John Howard to Alexander Madison, for one share of stock;

Benjamin Franklin to George Richardson, for one share of stock; and upon motion, duly made and seconded, the same were approved.

Messrs. John Howard, Benjamin Franklin, Frederick Jackson, Alexander Madison, George Richardson, and George Smith were nominated for directors of the company, to hold office for the ensuing year. No other nominations having been made, the polls were duly opened, and ballot having been duly had and all the stockholders having voted, the polls were declared closed and the inspectors presented their certificate showing that the aforesaid gentlemen had been elected directors of the company by the unanimous vote of all the stockholders.

The following preambles and resolutions were adopted:

WHEREAS, John Howard has offered to sell to this company the good-will and the property and assets of every nature of the printing and bookbinding business now carried on by him in the city of Scranton, in the state of Pennsylvania, in consideration of the issue of stock

of this company to the amount of seventy-five thousand dollars (\$75,000) par value, and in consideration of the assumption by this company of his liabilities in connection with said business, and

WHEREAS, It appears to the stockholders that such property is necessary for the business of this company, and that the same is of the value of seventy-five thousand dollars (\$75,000);

*Resolved*, That the board of directors of this company be and they are hereby authorized and recommended to purchase the said property above mentioned for the said price and to issue stock in payment thereof.

The secretary presented and read a waiver of notice of assessment and of the time and place of payment thereof, signed by all the incorporators.

The board of directors were authorized to assess the stock subscribed by the said incorporators one hundred per cent., payable as and when called for by the board of directors.

WHEREAS, It has been agreed between each of the incorporators and John Howard that the stock to be issued in payment of the property authorized to be purchased by the resolution set forth above, shall include the stock subscribed by the incorporators, as evidenced by the certificate of incorporation;

*Resolved*, That the board of directors be and they hereby are authorized and directed to accept said property as full payment of the subscriptions for stock of the incorporators, and to issue full-paid stock to the incorporators and their assigns, to the amount of their respective subscriptions.

Upon motion, duly made and seconded, and by the affirmative vote of all present, it was

*Resolved*, That the board of directors be and they hereby are authorized to issue the remaining authorized capital stock of this company to the aggregate amount of twenty-five thousand dollars, in such amounts and proportions as from time to time shall be determined by the board and as may be permitted by law.

The meeting thereupon adjourned.

GEORGE SMITH,

*Secretary of the meeting.*

#### WAIVER OF NOTICE OF FIRST MEETING OF INCORPORATORS

We, the undersigned, incorporators and subscribers to the stock of the Pan-American Printing Company, under the laws of the state of New Jersey, hereby waive notice of the time, place, and purpose of the first meeting of the corporation, and fix the fourth day of March, 190 , at 10 o'clock in the forenoon, as the time, and the registered office of the company, 15 Exchange Place, Jersey City, N. J., as the place of said meeting.

And we hereby waive all the requirements of the statutes of New Jersey as to notice of said meeting, and publication thereof; and consent to the transaction of such business as may come before said meeting.

JOHN HOWARD.

BENJAMIN FRANKLIN.

GEORGE SMITH.

Dated March 3, 190 .

### PROXY FOR FIRST MEETING OF INCORPORATORS

KNOW ALL MEN BY THESE PRESENTS, That I, the undersigned, a subscriber for four shares of the capital stock of the Pan-American Printing Company, a corporation created under the laws of the state of New Jersey, do hereby constitute and appoint Charles Johnson my true and lawful attorney, in my name, place, and stead to vote upon the stock subscribed for by me or standing in my name, as my proxy, at the meeting of the incorporators and subscribers to the capital stock of the said company, to be held at the company's office, 15 Exchange Place, Jersey City, N. J., on the fourth day of March, 190 , and at any adjournment thereof, according to the number of votes I am now or may then be entitled to cast, hereby granting the said attorney full power and authority to act for me and in my name at the said meeting or meetings, in voting for directors of the said company or otherwise, and in the transaction of any other business which may come before the meeting, as fully as I could do if personally present, and hereby expressly ratifying and confirming all that my said attorney may do in my place, name, and stead.

IN WITNESS WHEREOF I have hereunto set my hand and seal this third day of March, 190 .

WITNESS:

JOHN FRANKLIN.

BENJAMIN FRANKLIN. [L. S.]

### INSPECTORS' OATH AND REPORT

State of New Jersey }  
County of Hudson } ss.

James French and John Ellis, being severally sworn, upon their respective oaths do promise and swear that they will faithfully, honestly, and impartially perform the duties of inspectors of election at the election to be held this day for directors of the Pan-American Printing Company, and a true report make of the same.

Subscribed and sworn to this fourth  
day of March, 190 , before me.

JAMES FRENCH.

JOHN ELLIS.

HARRY W. MEEN,  
*Notary Public.*

The undersigned, inspectors of election, report that having taken an oath impartially to conduct the election of directors of the above named company, we did receive the votes of the stockholders by ballot, and that the following persons received the number of votes set opposite their respective names, to wit:

FOR DIRECTORS	NUMBER OF VOTES
John Howard,	10
Benjamin Franklin,	10
Frederick Jackson,	10
Alexander Madison,	10
George Richardson,	10
George Smith,	10
	JAMES FRENCH,
	JOHN ELLIS,

Dated Jersey City, N. J., March 4, 190 .

*Inspectors.*

#### WAIVER OF NOTICE OF ASSESSMENT

We, the undersigned, subscribers for stock of the Pan-American Printing Company, hereby waive thirty days' notice of the time and place of the payment of our respective subscriptions to the capital stock with which said company begins business, and also waive all the requirements of the laws of New Jersey as to notice of assessment and payment thereof, and we agree to pay the same to the treasurer of the company in such amounts and at such time or times as the board of directors may require.

JOHN HOWARD,  
BENJAMIN FRANKLIN,  
GEORGE SMITH,  
FREDERICK JACKSON,  
ALEXANDER MADISON,  
GEORGE RICHARDSON.

Dated March 4, 190 .

**8. First Meeting of Directors.**—The persons elected as directors at the meeting of incorporators should meet as soon as may be convenient, either upon notice or pursuant to a waiver of notice signed by all the directors. This meeting may be held either at the principal office in New Jersey or by agreement of the directors at any other place in or out of the state of New Jersey.

The law requires each corporation to have a president, secretary, and treasurer, and at the first meeting of the directors these officers are usually appointed to hold office for the first year; such other officers as the by-laws provide

for are also chosen. Usually a vice-president is appointed, although it is not obligatory on a corporation to have a vice-president. His duties are defined in the by-laws. Frequently one or more assistant secretaries and assistant treasurers are appointed and sometimes an auditor and general counsel. At this meeting the shares of stock are authorized to be issued either for cash or for property, or both, and routine matters connected with the organization of the company are transacted as appears from the following draft of minutes:

#### MINUTES OF FIRST MEETING OF DIRECTORS

The first meeting of the board of directors of the Pan-American Printing Company was held at the Hotel Jermyn, in the city of Scranton, Pennsylvania, on the fifth day of March, 190 , at 2:30 P. M.

Present: Messrs. John Howard, Benjamin Franklin, Frederick Jackson, Alexander Madison, and George Richardson, constituting a majority of the members of the board.

Mr. Franklin called the meeting to order and was chosen temporary chairman and Mr. Richardson was appointed temporary secretary of the meeting.

The secretary presented and read a waiver of notice of the meeting, signed by all the directors, and the same was ordered filed.

The minutes of the first meeting of incorporators were read.

The following gentlemen were unanimously chosen officers of the company to serve for one year and until their successors are chosen and qualify:

President, John Howard;

Vice-President, Benjamin Franklin;

Secretary, George Richardson;

Treasurer, George Richardson.

The president thereupon took the chair.

It was ordered that the secretary take the oath of office and subscribe the written oath in the form presented at this meeting. The secretary thereupon took and subscribed the oath and entered upon the discharge of his duties.

It was ordered that the treasurer give a bond in the sum of ten thousand dollars, in the form presented at this meeting, which was approved by the board, and submit said bond to the board for approval as to the sufficiency of surety. The treasurer thereupon presented his bond, signed by himself as principal and by Joseph Richardson as surety, and the same was approved and ordered to be filed.

Upon motion, duly made and seconded, it was

*Resolved*, That Messrs. Howard, Franklin, and Richardson be and hereby are designated as members of the executive committee (Mr. Howard to be chairman thereof), with authority to exercise all the powers of the board in the current business of the company while the board is not in session.

Upon motion, duly seconded, it was

*Resolved*, That the seal, an impression of which is herewith affixed, be adopted as the corporate seal of the company.



A form of stock certificate was presented and upon motion, duly made and seconded, was adopted.

The secretary was authorized and directed to procure a book of certificates of stock and duplicate stock ledgers and transfer books.

Upon motion, duly made and seconded, it was

*Resolved*, That the treasurer be and hereby is authorized to open a bank account in behalf of the company with the International Correspondence Schools Bank, of Scranton.

*Further Resolved*, That until otherwise ordered, said bank be and hereby is authorized to make payments from the funds of this company on deposit with it upon and according to the check of this company signed by its treasurer.

Upon motion, duly made and seconded, it was

*Resolved*, That an office of the company be established and maintained at 434 Wyoming Avenue, in the city of Scranton, state of Pennsylvania, and that meetings of the board of directors from time to time

may be held either at the registered office in New Jersey, or at such office in the city of Scranton, or elsewhere, as the board of directors shall from time to time order.

At this point Mr. Howard retired from the meeting and Mr. Franklin acted as chairman.

Upon motion, duly made and seconded, it was

*Resolved*, That this company accept the offer of John Howard to sell to this company the property described in the resolution of the stockholders passed at the first meeting of the corporation, authorizing the purchase, and the board of directors do hereby adjudge and declare that said property is of the fair value of seventy-five thousand dollars and that the same is necessary for the business of this company.

*Further Resolved*, That the proposed agreement for the sale of said property presented at this meeting be and the same is hereby approved as to form, and the vice-president and secretary of the company are hereby authorized and directed to execute said agreement in the name and on the behalf of this company and to affix the corporate seal thereto.

*Further Resolved*, That the president and treasurer be and they are hereby authorized and directed to issue certificates of full-paid capital stock of this company to the aggregate amount of seventy-five thousand dollars as provided in said agreement.

Upon motion, duly made and seconded, it was

*Resolved*, That an assessment of one hundred per cent. be levied upon the shares of stock subscribed by the incorporators, as evidenced by the certificate of incorporation, and that such assessment be ordered to be paid as provided in the agreement between John Howard and this company authorized at this meeting.

The secretary presented a subscription list, of which the following is a copy, and upon motion, duly seconded, the subscriptions to the capital stock of the company set forth therein were accepted.

#### SUBSCRIPTION LIST

We, the undersigned, do hereby subscribe to the capital stock of the PAN-AMERICAN PRINTING COMPANY, a corporation of the state of New Jersey, as set forth below, and severally agree to pay the amount of such subscriptions as called by the directors of the company.

Date	Name	Residence	No. of Shares	Amount
March 5, 190	Frederick Jackson	Scranton, Pa.	100	\$10,000
" " "	Alexander Madison	" "	100	10,000
" " "	George Richardson	" "	50	5,000

The treasurer stated that he had received payment in full of the above subscriptions, and the president and treasurer were authorized to issue certificates of stock to said subscribers for the number of shares respectively subscribed by them.

Upon motion, duly made and seconded, it was

*Resolved*, That The Corporation Trust Company, of New Jersey, be and hereby is appointed the agent of this company, in charge of the registered office, and upon whom process against this company may be served in accordance with the laws of New Jersey, and transfer agent of the shares of stock of this company.

*Further Resolved*, That said trust company is authorized to counter-sign, when signed by the president or vice-president and the treasurer of this company, an original issue of certificates of shares of this company to the number of seven hundred and fifty shares of stock, and to enter the particulars of the holdings of said shares in the stock book, and to register transfers of said shares from time to time.

*Further Resolved*, That the secretary be and is hereby authorized to sign, and seal with the company's seal, a certificate of authorization to said trust company in the form submitted at this meeting.

Upon motion, duly made and seconded, it was

*Resolved*, That the proper officers of this company be and they hereby are authorized and directed in behalf of the company, and under its corporate seal, or otherwise, to make and file such papers as may be required by law to be filed in the Commonwealth of Pennsylvania and in any state in which the officers of the company shall find it necessary to file the same to authorize the company to transact business in such states.

The secretary was ordered to cause to be made and filed in the office of the Secretary of State of New Jersey the report of officers, directors, etc. required by Section 43 (as amended) of "An Act Concerning Corporations (Revision of 1896)," of New Jersey.

No further business was presented and on motion the meeting adjourned.

GEORGE RICHARDSON,  
*Secretary.*

#### WAIVER OF NOTICE OF FIRST MEETING OF THE BOARD OF DIRECTORS

We, the undersigned, directors of the Pan-American Printing Company, a corporation under the laws of New Jersey, hereby waive notice of the time and place of the first meeting of the board of directors, and of the business to be transacted at said meeting.

We designate the fifth day of March, 190 , at 2:30 o'clock in the afternoon as the time, and the Hotel Jermyn in the city of Scranton, Pennsylvania, as the place of said meeting; the purpose of said meeting being the election of officers, the authorization of the issue of the stock of the company, the authorization of the purchase of property



necessary for the business of the company, and the transaction of such other business as the board may deem proper.

JOHN HOWARD.  
BENJAMIN FRANKLIN.  
FREDERICK JACKSON.  
ALEXANDER MADISON.  
GEORGE RICHARDSON.  
GEORGE SMITH.

Dated March 4, 190 .

### SECRETARY'S OATH

State of Pennsylvania }  
County of Lackawanna } ss.

George Richardson, the secretary of the Pan-American Printing Company, being by me duly sworn, upon his oath does promise and swear that he will faithfully discharge the duties of secretary of the aforesaid company to the best of his skill and ability.

Subscribed and sworn to before me  
this fifth day of March, 190 .

GEORGE RICHARDSON.

FRANK S. HAMILTON,  
*Notary Public.*

### TREASURER'S BOND

KNOW ALL MEN BY THESE PRESENTS, That the undersigned as principal and surety, respectively, are held and firmly bound unto the Pan-American Printing Company, its successors and assigns, in the sum of ten thousand dollars (\$10,000), lawful money of the United States, to be paid to said company, its successors and assigns, for which payment, well and truly to be made, we bind ourselves, our executors and administrators, jointly and severally, firmly by these presents.

Sealed with our seals and dated this fifth day of March, 190 .

The condition of the above obligation is that

WHEREAS, The undersigned, George Richardson, has been duly elected and is about to enter upon the duties of his office as treasurer of the said company.

Now, therefore, if he shall in all respects fully and faithfully discharge his duties as such treasurer, so long as he shall hold the said office or continue therein during the term for which he is now or may hereafter be elected, appointed, or hold over, and also, if, in case of his death, resignation, disqualification, or removal from office; all the books, papers, accounts, vouchers, money, and other property of whatever kind in his possession belonging to the company shall be forthwith restored to the company, then this obligation is to be void, otherwise to be in full force and virtue.

Signed, sealed, and delivered  
in the presence of

GEORGE RICHARDSON. [L. S.]  
JOSEPH RICHARDSON. [L. S.]

FRANK S. HAMILTON.

**AGREEMENT FOR THE PURCHASE OF PROPERTY AND THE  
ISSUE OF FULL-PAID STOCK IN EXCHANGE THEREFOR**

AN AGREEMENT made this fifth day of March, 190 , by and between John Howard, of the city of Scranton, Commonwealth of Pennsylvania (hereinafter called the "vendor"), of the first part, and the Pan-American Printing Company, a corporation under the laws of New Jersey (hereinafter called the "company"), of the second part.

WHEREAS, The vendor is the owner of a general printing and book-binding business carried on by him in the city of Scranton, Pennsylvania, and of the property hereinafter mentioned and described; and

WHEREAS, The company has been duly organized with an authorized capital stock of \$100,000, divided into shares of the par value of \$100 each; and

WHEREAS, The board of directors of the company have ascertained, adjudged, and declared that the said business and the good-will thereof and the property of the vendor in connection therewith are of the fair value of seventy-five thousand dollars (\$75,000), and that the acquisition thereof is necessary for the purposes of the company.

NOW THEREFORE this agreement witnesseth:

I. That the vendor has sold, assigned, transferred, and set over, and does hereby sell, assign, transfer, and set over unto the company, its successors and assigns, the following described property, to wit:

The lease of the premises in which said business is now carried on, and the good-will of the said business; the moneys, bills, notes, and other negotiable instruments and securities for money; and the book and other debts and choses in action of the vendor in respect to such business, and the full benefit of all contracts and agreements to which the vendor is entitled in relation to the said business; the plant, machinery, type supplies, stock in trade, furniture, and effects of the vendor in or about the said premises where said business is now carried on.

II. The company hereby agrees, in consideration of said sale and upon the delivery of said property to it, to issue to the vendor and his nominees as hereinafter provided, and to such other nominees as the vendor shall in writing hereafter direct, at such times and in such amounts as they shall respectively direct, certificates of stock of the company to the aggregate amount of seven hundred and fifty shares, and said shares shall be deemed to be and are hereby declared to be full-paid shares and not liable to any further call, and the holders of such stock shall not be liable to any further payment thereon.

III. Said stock shall be issued as follows:

To the vendor, seven hundred and forty-three shares.

Benjamin Franklin, three shares.

Frederick Jackson, one share.

Alexander Madison, one share.

George Richardson, one share.

George Smith, one share.

IV. The delivery of the certificates for said shares to the above-named parties and their respective receipts for the same shall be a full discharge of each of the parties hereto to the extent thereof.

V. The vendor hereby covenants and agrees with the company, upon the request and at the cost of the company, to execute and do all such further assurances and things as shall reasonably be required by the company for vesting in it the property and rights agreed to be hereby sold, and giving to it the full benefit of this agreement.

WITNESS the hand and seal of the vendor and the corporate seal of the company, attested by the signatures of its officers thereunto duly authorized, the day and year first above written.

In presence of

DAVID YOUNG.

JOHN HOWARD. [L. S.]

PAN-AMERICAN PRINTING COMPANY,

By BENJAMIN FRANKLIN,

*Vice-President.*

[Corporate seal.]

Attest: GEORGE RICHARDSON,

*Secretary.*

#### **9. Report to Be Filed With the Secretary of State.**

Within thirty days after the election of directors a report must be filed in the office of the Secretary of State of New Jersey, stating the nature of the business of the corporation, the amount of the capital stock, the amount issued and outstanding, the names and post-office addresses of the officers and directors, and the name and address of the agent in charge of the principal office in New Jersey.

**10. Certificate of Payment of Capital.**—Within ten days after the capital stock has been paid in, a certificate of that fact must be filed in the office of the Secretary of State of New Jersey. This completes the organization of the corporation, and it is now legally authorized to conduct the business for which it was formed.

**11. Formalities in Other States.**—A corporation is termed a foreign corporation in states other than that in which it was incorporated. For example, a corporation organized in New Jersey is a foreign corporation in Pennsylvania,

and to have a legal status must comply with certain formalities. Most states permit foreign corporations to transact business freely upon the filing of a certified copy of the certificate of incorporation, or charter, in the office of the secretary of state together with a statement appointing an agent of the corporation upon whom process may be served in any legal proceedings against the corporation. There are no requirements in some states.

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### MANAGEMENT OF CORPORATIONS

**12. Board of Directors.**—The affairs of a corporation are managed by a board of directors. Individual directors have no power to act for the corporation. They can act only when assembled in a meeting called in the manner prescribed by the by-laws. All their acts are effected by resolutions or orders passed at such a meeting. The by-laws prescribe the number of directors necessary to make a quorum, without the presence of which no action can be taken, and this number is usually fixed in the by-laws as a majority of the entire board of directors. The vote of a majority of the directors present at a meeting is controlling. Directors must attend meetings in person; they cannot be represented by proxy. As it is not practicable for the board of directors to attend to all the details of the company's business, power is usually conferred on the president and other officers to do all ordinary acts in the carrying on of the daily business of the corporation. It is customary in large corporations for the directors to delegate certain of their powers to committees composed of a few of the directors, known as executive committees, finance committees, and the like. In a small corporation there is no necessity for such committees, and all powers that are not exercised by the officers are exercised by the board of directors.

**13. Powers and Duties of Directors.**—The board of directors has full power to bind the corporation in all its dealings with other persons and corporations. The

stockholders' powers are limited to the making of by-laws, the election of directors at the annual meetings, and the authorizing of amendments and changes in the certificate of incorporation, increases and decreases of the capital stock, and the like. It is sometimes necessary, where the certificate of incorporation or by-laws so require, for the directors to have the concurrence or assent of the stockholders in doing certain things, such as authorizing mortgages of the company's property or sale of the entire property. With the above exceptions, however, the powers of the directors are supreme. It is always in the power of the stockholders owning a majority of the stock to control the board of directors, unless restricted by the certificate of incorporation, and by taking proper proceedings they may remove directors from office who act contrary to their wishes. The courts in such cases recognize the stockholders as being the real owners of the company and the majority as representing the will of such owners. These broad powers of directors carry with them certain duties and responsibilities. The directors represent the whole body of stockholders and in all cases must be governed by what in their honest judgment they consider to be for the best interests of the corporation itself, not by what they consider best for their individual interests. Although this rule is often lost sight of by directors, the law is quite clear that for any serious breach of duty on their part the directors are responsible to the corporation, and individual stockholders may sue in such cases to enforce the rights of the corporation. Directors are in law trustees of the funds and property of the corporation; being trustees, it is not permitted to directors to make contracts with the corporation unless the contract be one that is fair to the corporation. However, it is for the majority stockholders to complain in such a case, unless the directors are guilty of actual fraud. As directors are elected by the holders of a majority of the shares of stock, their policy in conducting the business is usually that of such majority of stockholders, and so long as they act in good faith the minority has no right to interfere.

**14. Directors' Meetings.**—The by-laws usually provide for regular or stated meetings of the board, and if the time and place of such meetings are fixed by the by-laws, notice of each particular meeting is not required to be given to each director. Special meetings of the directors, however, cannot be held unless notice is given to each director in the manner provided by the by-laws. If such notice is omitted and action is taken in the absence of some of the directors that have not been notified, such action is not valid. It is important, therefore, that notice should be properly given and that the minutes should show that such notice was given. Notice of a meeting is not required to be in particular form; it should merely set forth in plain language the purpose for which the meeting is to be held, the place of the meeting, and the day and hour of holding it. Notices are usually sent out by the secretary. The secretary is not usually vested with power to call a special meeting of directors, his province being to send out the notices when directed by the president or a certain number of the directors, as provided by the by-laws.

The secretary should have ready at every meeting of the board a memorandum of the various matters requiring action to be taken. With this memorandum before him, the chairman is in position to see that the business of the meeting is done in an orderly manner and much valuable time may be saved.

It is scarcely necessary to say that the secretary should keep full minutes of all the transactions of the board, but not of mere discussions resulting in no definite action.

**15. Powers and Duties of Officers.**—Officers of a corporation are its agents with limited powers, which are usually defined in the by-laws. Persons dealing with the corporation must ascertain what those powers are, and if an officer attempts to act for the corporation in any matter beyond his powers, the corporation will not be bound by such act. It is not, however, necessary that all of the powers of officers should be specified in detail in the by-laws.

If a particular officer is accustomed to perform certain acts with the knowledge and acquiescence of the directors, the corporation will be bound.

The title of the office does not necessarily confer any particular powers on the officer. Thus, the president of a corporation is not in law considered as being an agent of a higher grade than the secretary or any other officer. It is usual, however, in the by-laws or by custom, to confer extensive powers on the president, making him the authorized agent of the corporation in all matters relating to its ordinary business, and in small companies the president is given practically all the powers of the board of directors in the intervals between the meetings of the board.

Although the law of New Jersey does not require the appointment of a vice-president, it is usual to have such an officer, and it is generally provided in the by-laws that in the absence or disability of the president he shall be the acting head of the corporation with all the powers and duties of the president.

The treasurer is the officer in whose care is placed moneys and securities belonging to the corporation, and is usually empowered to sign checks on the company's bank account, and in small companies he generally has charge of the books of account. The law requires that the treasurer shall give a bond to the company for the faithful performance of the duties of his office. The form of this bond has already been given. The amount of the bond is fixed by the directors, and they may require one or more sureties, or, if they deem necessary, may require that the treasurer be bonded by a surety company. By the statute, the treasurer is authorized with the president to sign certificates of stock. Their duties in this respect, however, are merely clerical, and neither he nor the president has power to make an original issue of certificates of stock without the authority of the board of directors, nor to issue certificates of stock for any purpose except as provided in the by-laws.

The secretary is required by law to keep the minutes of the meetings of stockholders and of the board of directors,

and such minutes are received as evidence in courts of the transactions of the corporation to which they relate. It is not necessary that the minutes should be written in the handwriting of the secretary. They may be written by another person under his direction. The secretary is required by law to take an oath of office, the form of which has been given previously. The secretary is also required by law to sign certain certificates in behalf of the corporation, which are filed in the office of the secretary of state for the purpose of increasing the capital stock, decreasing the capital stock, amending the certificate of incorporation, and the like. By the by-laws he is usually given custody of the papers of the corporation and the duty of attending to its correspondence; and usually the secretary is the officer through whom any statement or announcement in behalf of the corporation is made to the public. Where the business office of the company is not in the state of New Jersey, the secretary is usually the custodian of the duplicate stock and transfer books. The original stock and transfer books of a New Jersey corporation are required by law to be kept in the principal or registered office in New Jersey. The manner of keeping such books is explained later on under the heading of Corporation Bookkeeping. The secretary is also usually made the custodian of the corporate seal, but he has no power to use the seal except when authorized by the board of directors, the executive committee, or the president.

**16. Signing of Papers.**—Whenever an officer signs a note or contract in behalf of his corporation, it should clearly appear that he signs for the corporation and not as an individual. The proper way to sign is "For the Corporation, \_\_\_\_\_, President" [or other officer, as the case may be]; or, "Pan-American Printing Company, By \_\_\_\_\_, President" [or other officer]. This rule is of special importance in the signing of a promissory note or other negotiable paper. Some courts have held that where a note is signed by an officer and his signature is followed merely by the title of his office, such note is



presumably his individual note and he is liable to pay the same to any bona-fide holder without notice that it is the note of the corporation.

Every important contract should be expressly authorized by resolution of the directors, and a copy of it entered in the minute book. Some companies keep a "Contract Book," in which all contracts, deeds, and other important papers are copied.

**17. Corporate Seal.**—Every corporation has or should have a seal. Formerly, a corporation could only act by a writing sealed with its corporate seal. This is no longer necessary. A corporation may act, through its agents, in the same manner as a natural person; where it is necessary for a natural person to use a seal, it is necessary for a corporation to use its seal, but not otherwise; if a contract made by a natural person is required to be in writing, it must also be in writing if made by a corporation. Where the seal appears on a deed or contract of the corporation, such instrument is presumed to be the lawful act of the corporation and the law presumes that the seal was affixed by authority of the board of directors of the corporation.

**18. Mortgages and Bonds.**—Corporations have the power to give and hold mortgages the same as an individual. Bonds are sometimes issued as evidences of ownership of parts of a mortgage. They draw a stated rate of interest, payable quarterly, semiannually, or annually, and are to be paid off at a stated time. The interest on bonds is a fixed charge, and, unlike dividends on stock, must be paid whether or not there is a profit in the business; also, in the case of the dissolution of a corporation, the principal of the bonds and interest must be paid before the stockholders receive their share of the net assets.

Bonds drawn payable to bearer or holder, and which are transferable, are called **negotiable bonds**. **Registered bonds** are payable only to the person named in the bond and on the books of the registering company. **Coupon bonds** are those having a series of coupons attached, which,

on stated dates, become sight drafts payable at a certain place for the interest due on the bonds.

A company may issue several classes of bonds secured by different mortgages. These bonds are given different names, as **first mortgage bonds**, **second mortgage bonds**, **equipment bonds**, etc. The name in each case is generally a sufficient explanation of the nature of the bond.

Separate accounts should be kept with each series or class of bonds, and with the interest on each class; also, with such reserve profits as are set aside as a sinking fund to meet the payment on any class of bonds as they become due.

**19. Dividends.**—The aim of every business corporation is to earn profits for its stockholders. Stockholders are only entitled to such profits after a dividend has been declared by the directors. It is a matter of very great importance to know the circumstances under which it is proper or obligatory to pay dividends. The law provides that dividends shall only be paid from the surplus or net profits arising from the business of the corporation, and forbids, under penalties, the payment of dividends out of the capital. In order that the directors may legally declare a dividend, it is necessary that the capital shall be unimpaired; that is, the assets of the corporation must exceed its liabilities, including as liabilities for this purpose the capital stock issued and outstanding, and the dividend must be paid out of the excess. Before declaring a dividend, therefore, the directors should have prepared and submitted to them a balance sheet, or statement of the assets and liabilities, together with a profit and loss account. The times for the payment of dividends must be fixed by the certificate of incorporation or by-laws, and it is usually provided that they shall be paid quarterly, half yearly, or yearly, on specified days. A dividend is said to be *declared* when the directors have by a proper resolution determined that a certain amount shall be paid to the stockholders. When thus declared, dividends are a debt due from the company to the stockholders, which must be paid even if, immediately after the declaration and before actual

payment, the corporation should sustain a loss by which its assets are reduced to an amount less than its liabilities. Dividends can be declared payable to the stockholders of record either on the day of such declaration or on a specified later day. If the shares of stock are sold after such day, the purchaser is not entitled to the dividend. It would not be proper, however, for the directors to declare a dividend payable to the stockholders of record prior to the day of such declaration, as this would open the way to fraud.

It is not necessary for the directors to declare dividends of all of the surplus or net profits. If the by-laws so provide, they may reserve a certain amount as working capital, and in any event, the question whether a dividend shall be declared is one that rests entirely in the honest discretion of the directors. They cannot be compelled to declare dividends unless their refusal is due to bad faith on their part.

**20. Stock Dividends.**—Sometimes the directors deem it advisable not to pay a dividend in money but to make what is called a **stock dividend**; that is, where there is unissued stock of the corporation or stock owned by the corporation that has been acquired from a stockholder by purchase or otherwise, such stock or a portion of it is distributed among the stockholders pro rata. A stock dividend cannot be declared unless it would be proper at the time to declare a dividend in money; that is to say, there must be an excess of assets over liabilities, as already explained. Stockholders may be compelled to take a stock dividend in lieu of money, if the directors deem it advisable not to pay the dividends in money.

**21. Proxies.**—Stockholders may vote at stockholders' meetings either in person or by proxy. A **proxy** is a paper signed by a stockholder authorizing another person to vote for the stockholder at a certain meeting, or at all meetings of the stockholders. In New Jersey a proxy cannot be given for a longer period than three years. Both the paper itself and the person appointed to act under it are called proxy. A proxy paper is not required to be in any particular form.

All that is necessary is that it should clearly set forth that a stockholder appoints another to vote in his stead. Proxies can only be used at stockholders' meetings; a director cannot be represented at a directors' meeting by proxy.

**22. Certificates of Stock.**—The interests of stockholders in a corporation are represented by shares of stock (evidenced by certificates of stock), which are personal property in all cases, even if the whole property of the corporation consists of real estate. Certificates of stock ordinarily are of two kinds: Certificates of *common stock* and certificates of *preferred stock*. The rights under each are governed by the certificate of incorporation. A share of stock does not convey ownership to any definite portion of the company's property; it merely gives the purchaser the right to participate in the management of the company by voting for directors and on other questions; and to participate in the profits of the corporation's business when distributed by the directors as dividends; or, in case of the dissolution or winding up of the corporation, to participate in the distribution of its funds on liquidation after the payment of the claims of the creditors. A certificate of **common stock** is shown in Fig. 1.

In some corporations, however, all the holders of shares of stock do not enjoy all of the above-mentioned rights and privileges. It is sometimes provided in the certificate of incorporation that a particular class of stockholders shall have no right to vote, or that they shall be entitled only to a specified percentage of the profits distributed as dividends, or only to a specified proportion of the funds on dissolution. In such cases certificates of **preferred stock** are issued.

The term preferred stock has no precise meaning in law. The rights and privileges of preferred stockholders depend entirely on the certificate of incorporation of the company, which is required to set forth the terms on which preferred stock is created. Sometimes it is provided that the holders of the preferred stock shall receive a dividend at a fixed rate during each year, payable before any dividend for such year

Certificate No. \_\_\_\_\_  
 For \_\_\_\_\_ Shares  
 Amount for \_\_\_\_\_  
 Dated \_\_\_\_\_ 1900  
 Assured to \_\_\_\_\_

of \_\_\_\_\_  
 Received the above Certificate  
 Subject to the provisions and  
 limitations of the Charter and By  
 Laws as they now are or may here  
 after be. \_\_\_\_\_ 1900

Certificate No. \_\_\_\_\_  
 Cancelled \_\_\_\_\_ 1900  
 Certificate No. \_\_\_\_\_ issued in its  
 place \_\_\_\_\_ 1900

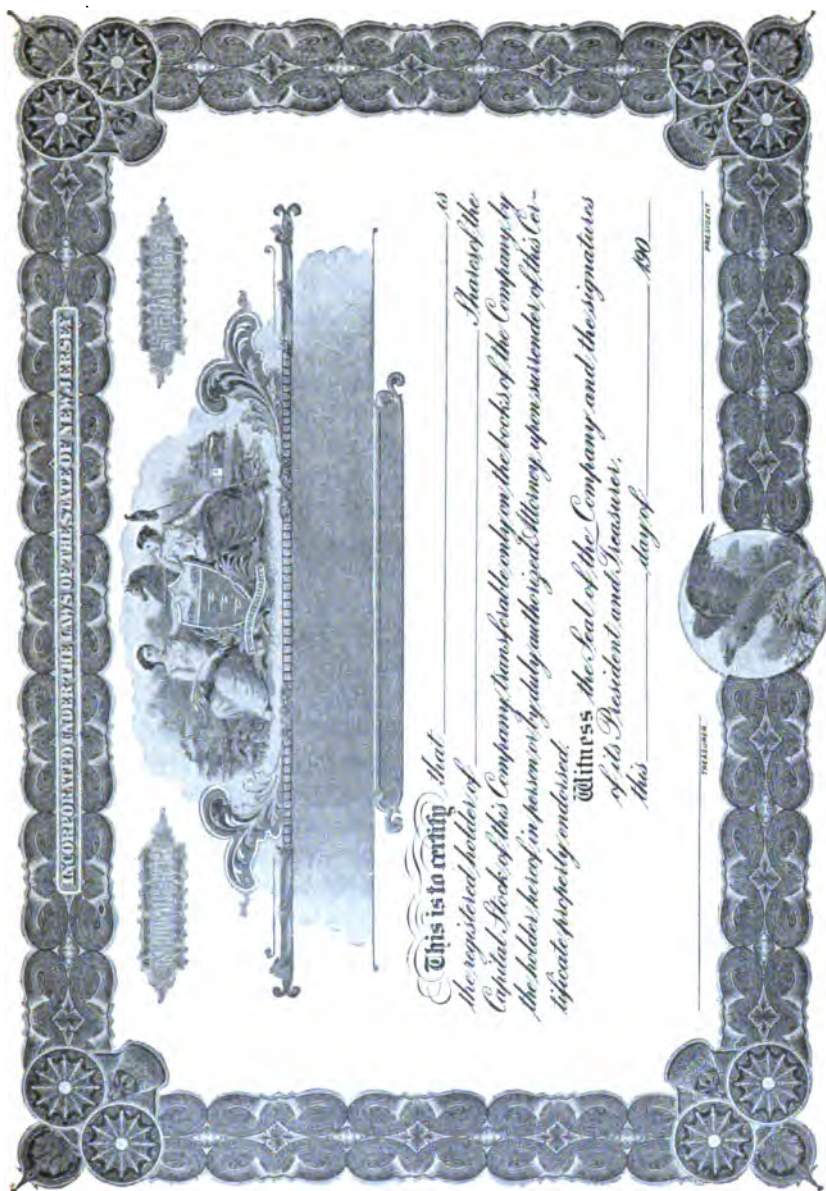


FIG. 1

shall be paid to the holders of the common stock. Such dividends may be either cumulative or non-cumulative. If cumulative, the holders of the preferred stock are entitled to dividends whether earned during any particular year or not; that is, if in any year the earnings are not sufficient to pay the dividend on the preferred stock, such dividend must be paid out of the earnings of subsequent years before any dividends can be paid to the holders of the common stock. If the dividends are non-cumulative, an account is taken each year of the net profits and the preferred dividend or such part of it as may be earned is paid to the preferred stockholders, but the amount unpaid on account of such dividends is not carried over so as to be payable out of the earnings of other years. Unless otherwise provided in the certificate of incorporation, the holders of the preferred stock have the same right to vote as the holders of common stock. It is sometimes provided, however, that the holders of preferred stock may elect a class of directors, either a majority or minority of the whole board, and that the holders of the common stock may elect a class consisting of the remainder of the directors. Unless it is otherwise expressly provided in the certificate of incorporation, the holders of preferred stock are entitled to priority of payment in case of dissolution of the company and are entitled to be paid the full par value of their shares before any payment is made to the holders of the common stock.

In every case a certificate of incorporation should specify the rights of the holders of preferred stock in every particular, and it is customary to state the preferences on the face of the certificate of preferred stock, although this is not required by law.

It is sometimes provided that there shall be more than one class of preferred stock, the certificate of incorporation providing in such cases for *first preferred stock*, *second preferred stock*, etc.

Shares of stock, like other property, may be sold or given away or mortgaged by the persons owning them. To avoid confusion and protect the corporation, the law

provides that the owner of shares of stock shall become fully entitled to the rights and privileges of a member of the corporation only by observing certain formalities, that is, by having the shares *transferred* to his name on the books of the corporation. To facilitate the making of transfers, there is usually printed or engraved on the back of each certificate of stock the following form of transfer:

For value received                      hereby sell, assign and transfer unto  
the shares of the capital stock represented  
by the within certificate, and do hereby irrevocably constitute and  
appoint                                      attorney to transfer the said stock  
on the books of the within named company, with full power of substitution in the premises.

Dated                                      190 .

In presence of

**NOTICE.**—The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

This form is signed by the person whose name is written on the face of the certificate as the holder of the shares represented thereby, or by some person that has power of attorney to act for him. In case of death, the transfer may be signed by the executor or administrator. It is not necessary that this transfer should be written on the back of the certificate; it may be contained in a separate paper. The certificate thus indorsed or with the separate assignment must be sent or taken to the office of the corporation, and the officer having charge of the transfer books, if everything is regular, will permit a transfer to be made on the books of the corporation. It will be noted that the above form of transfer appoints a certain person as attorney in fact of the transferor. This attorney is usually the transferee himself or the transfer officer of the corporation or some clerk in the corporation's office. This attorney in fact signs his name to the form of transfer contained in the transfer book of the corporation. The form of the transfer book is shown under the heading Corporation Books. The effect of the transfer is to make the purchaser the full owner, with power to vote at stockholders' meetings, to receive dividends, and

generally to be recognized by the company as one of its stockholders or members. In addition to the transfer book each corporation has a stock ledger, in which an account is kept with each stockholder, showing the number of shares held. The stock ledger is posted in the first instance from the stock subscription book or subscription list or from such other agreement or minute as shows the original owners of shares of stock. Afterwards, the posting is from the transfer book, which for this purpose corresponds to the journal in the ordinary set of books. A person whose name is entered in the transfer book and in the stock ledger as the owner of shares of stock is called a **registered stockholder**. As this gives important rights to the person named, it is essential that the transfer officers act with great care in making or permitting any transfer to be made. They must be satisfied that the signature of the old stockholder on the back of the certificate or on the assignment is genuine; if the transfer is signed by a person as executor or administrator, they must be satisfied that he is what he claims to be, and it is the custom to require a certified copy of the letters testamentary or letters of administration to be produced. If a certificate of stock is issued to a person as trustee, and he transfers such certificate, the transfer officers must ascertain whether he is acting as trustee and must be satisfied that he has the power to make the transfer. A failure to observe these rules may subject the corporation to damages if a mistake is made and a stockholder or purchaser of the shares is wrongfully deprived of his rights. A corporation should never permit shares of stock to be registered in the name of a person under age, but should require such shares to be registered in the name of a trustee.

**23. Closing Transfer Books.**—In large companies, when a dividend is declared, the resolution of the directors often provides that the transfer books shall be closed on a specified day in order that a list may be made up of the stockholders entitled to receive dividends. A notice is then mailed to each stockholder or published in



a newspaper stating that a dividend of a certain amount has been declared by the directors, payable to the stockholders, on a certain day, and that the transfer books will be closed at the end of business on that day and opened again on a specified day.

It is also the practice in such companies to close the transfer books a certain number of days prior to the annual meeting of the stockholders.

**24. Treasury Stock.**—Properly speaking, treasury stock is stock that has been issued and subsequently acquired by the corporation by purchase, forfeiture, or otherwise. The term is sometimes erroneously applied to that part of the authorized capital stock of the corporation that has never been actually issued. Unissued stock is not treasury stock; it is simply stock that the corporation has the power to issue at any time.

Treasury stock, as above explained, may be carried on the books as an asset. Unissued stock should never be carried as an asset, although it is the custom in some corporations to treat such stock as an asset. In reality, however, it can no more be called an asset than can the bare power of an individual or firm to issue notes be called an asset.

**25. How Shares of Stock May Be Sold Below Par.**—In corporations formed to carry on business of a speculative nature, it has been found practically impossible to issue shares at their par value. Accordingly, the custom has grown up in companies formed to take over an existing business or a patent, mine, or other property, to issue the stock in the first place as full-paid stock to the owners of the business or property. These owners, or vendors as they are called, will then donate a certain portion of stock so acquired by them to the corporation to be sold by it at a price to be determined by the board of directors, for the purpose of obtaining working capital to be used in developing the company. It is by adopting this method that new corporations are enabled to offer their shares for public subscription at, say, 25 or 50 cents on the dollar. This is

made possible by the liberal provision of the New Jersey law, which has been copied by New York, Delaware, Maine, and some of the other states, which makes the judgment of the board of directors conclusive as to the value of property purchased by the corporation for which stock is issued. Where this practice is adopted, however, it is necessary that the proceedings should be taken under competent advice and in the prospectus or advertisement offering shares for subscription, no false statements as to the actual value of the property should be made. This process of selling property to a corporation at a fictitious or inflated valuation and issuing stock in payment is commonly spoken of as **watering**. There are limits, however, to which watering can be carried, and in every case to justify it, it is essential that there should be some element of uncertainty in the value of the property by reason of which it is impossible to place a definite value on it. Thus, where a corporation takes over an existing business, the value of the good-will is an uncertain quantity that cannot be exactly measured in money. So, also, is a patent right or a mine. The watering of stock has been carried to great extremes, and at present there is a strong tendency among new corporations to be more conservative in the issue of stock for property. This conservative policy has been brought about to some extent by the laws of many of the states requiring corporations to pay taxes on the authorized or issued capital stock at par.

**26. Assessable Shares of Stock.**—It is sometimes desirable, when the stock of a corporation is issued for money, to provide for the payment of the subscriptions in instalments from time to time as required for the purposes of the company. Shares so issued are said to be **assessable**. When the directors determine that a certain amount of money is required, an assessment is made; that is to say, a resolution is passed requiring each holder of assessable shares to pay a fixed percentage of the par value, not exceeding the amount remaining unpaid. Notice of this resolution or assessment is then sent to each stockholder affected by

the assessment, calling on him to pay his proportion of the assessment to the treasurer of the corporation on or before a specified date. This notice is termed a **call**. Under the New Jersey law, a stockholder is entitled to thirty days' notice of an assessment. Certificates of stock should never be issued until the stock represented by the certificates has been fully paid up. When an instalment is paid, a receipt is issued to the stockholder.

If a stockholder fails to pay an assessment properly made on his stock, the directors may forfeit his stock and sell it at public auction. In such cases the procedure required by the corporation act must be strictly followed. The purchaser of such forfeited stock holds it subject to assessment for the uncalled balance unpaid on it.

The owner of assessable shares is none the less a stockholder of the company, and may vote at elections of directors and meetings of stockholders. Unless the certificate of incorporation otherwise provides, he is entitled to receive dividends on the full par value of his shares.

**27. Listing Stock.**—To facilitate dealings in shares of stock, stock exchanges exist in the large cities. The principal of these is the New York Stock Exchange, which has eleven hundred members. Only such stocks are allowed to be sold on the floor of the exchange as have been admitted according to its rules. The securities thus permitted to be dealt in on the floor of the New York Exchange are divided into two classes, called **listed securities** and **unlisted securities**. When a corporation is formed and it is desired that its bonds and shares of stock shall be traded in on the exchange, a written application is made to have them admitted either to the listed or unlisted department. In either case, certain rules of the exchange and requirements of the committee on stock list must be followed. A copy of the certificate of incorporation and by-laws must accompany the application, together with a certificate of counsel that the company has been organized according to law, and that the securities have been legally issued and also certain statements

of the financial condition and earnings of the company. In the case of bonds, a certified copy of the mortgage must be filed with an opinion of counsel as to its validity and a certificate from the trustee accepting the trust. Samples of each form of engraved stock certificate and bond must also be filed. Requirements for the unlisted department are not as strict as for the listed department.

The listing of shares is very advantageous to the holders, as it gives a ready market for sales and increases the value of such shares as collateral for loans at banks.

Stock exchanges do not guarantee the values of securities traded in on their floors, and the mere fact that a certain stock is listed does not necessarily mean that it has any special value. The stock exchange suggests that all companies whose securities are listed make annual reports and statements to the stockholders, and the application usually contains an agreement on the part of the company to follow such suggestion.

**28. Annual Meeting of Stockholders.**—All meetings of stockholders of New Jersey corporations are required by law to be held at the registered office in New Jersey. Notice should be mailed to each stockholder as required by the by-laws. It is sometimes required by the by-laws that notice be published in a newspaper or newspapers. The notice may be in the following form:

#### NOTICE OF ANNUAL MEETING

The annual meeting of the stockholders of the Pan-American Printing Company will be held on the                      day of March, 190 , at 10 o'clock in the forenoon, at the registered office of the company, No. 15 Exchange Place, Jersey City, New Jersey, for the purposes of electing a board of directors and for the transaction of such other business as may properly come before the meeting.

In accordance with the laws of the state of New Jersey, stock can be voted on which has been transferred on the books of the company within twenty days next preceding this election.

February , 190 .

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*Secretary.*

The secretary, having mailed the notices to the stockholders, should make an affidavit in the following form:

**AFFIDAVIT OF MAILING NOTICES OF ANNUAL MEETING**

State of Pennsylvania }  
County of Lackawanna } ss.

being duly sworn  
deposes and says that he is secretary of the Pan-American Printing Company; that on the            day of February, 190   , he caused a notice of the annual meeting of the stockholders of said company, in the form annexed hereto, to be mailed, postage prepaid, in a sealed wrapper to each stockholder of record of the company at his address as given on the books of the company.

Subscribed and sworn to before me  
this            day of February, 190   .

Stockholders may attend the annual meeting either in person or may give a proxy. Usually, where there is no contest, officers or clerks of the trust company acting as registered agent of the company in New Jersey act as proxies for the stockholders, thus making it unnecessary for any of the stockholders to attend in person at the meeting.

It having been ascertained that a quorum is present at the annual meeting, two inspectors of election are appointed and sworn, and a ballot is taken for directors. Sometimes reports of officers are presented and read at the annual meetings. There is no legal requirement as to this, however.

Within thirty days after the annual meeting, a report of officers and directors must, in the case of a New Jersey corporation, be filed in the office of the Secretary of State of New Jersey.

**29. Amendment of Certificate of Incorporation.**

A corporation may change the nature of its business, change its name, increase its capital stock, decrease its capital stock, change the par value of the shares of its capital stock, extend its corporate existence, create one or more classes of preferred stock, and make any other amendment, change, or alteration in its certificate of incorporation, by taking proceedings as follows:

A resolution is passed by the board of directors declaring

such amendment, change, or alteration to be advisable and calling a meeting of the stockholders to take action on such resolution. At the stockholders' meeting if two-thirds of the stockholders of each class of stock issued and outstanding vote in favor of the amendment or change, and sign a written assent thereto, the same is adopted and a certificate setting forth the amendment, change, or alteration, signed by the president and secretary and acknowledged, is filed in the office of the secretary of state, together with the written assent of the stockholders.

**30. Increase of Stock.**—An increase of the capital stock having been properly authorized, the increased stock may be issued either for money or used for the purchase of property. If issued for money, an opportunity must be given to the existing stockholders to subscribe in proportion to their holdings. The directors have full power, however, to issue such increased stock in payment of property purchased for the company at a fair valuation without first offering it to the stockholders.

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## CORPORATION BOOKKEEPING

**31.** The general principles of bookkeeping are the same, whether the books are those of an individual or firm or of a corporation. The object of all bookkeeping is to present in a clear way the facts concerning the financial condition of a business so that a statement of resources and liabilities and of earnings may be made up at any time. The system that accomplishes this result in the most direct manner is the system to be used in each case.

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## CORPORATION BOOKS

**32.** The general books of a corporation are the same as those of an ordinary firm, consisting primarily of Cash Book, Journal, and Ledger, which need not be taken up at this time. Corporations, like individuals, have various forms of these books to suit their particular needs, and experience

will teach what is required in each case. It is the intention here to describe simply the auxiliary books peculiar to corporations.

In addition to the Cash Book, Journal, and Ledger, a corporation requires certain auxiliary books not used by an individual or firm, and before taking up the accounts in the Cash Book, Journal, and Ledger, the use of these auxiliary books will be explained. They are the *Stock Subscription Books*, *Instalment Receipt Book*, *Stock Certificate Book*, *Stock Book or Ledger*, *Stock Register*, *Transfer Book*, and *Dividend Book*. The *Minute Book* might also be included among the auxiliary books. Its use has already been explained.

The connection between the auxiliary and the general books of account of a corporation is not close; each set is complete in itself, one dealing altogether with the relations of the company to its stockholders, the other with the relations of the company to outsiders.

**SUBSCRIPTION BOOK**

Date	Name and Address of Subscriber	How Acquired	No. of Shares	Amount	Amounts of Instalments Paid

FIG. 2

**33.** The **Stock Subscription Book** is used only where shares of stock are issued for money, which is paid in full at the time of subscribing or in instalments thereafter when assessable shares are issued. The form of this book is shown in Fig. 2. In lieu of a book, subscriptions are commonly made on sheets of paper, as shown in the minutes of

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INSTALMENT RECEIPT BOOK

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<p>Date _____, 190 .</p> <p>To _____</p> <p>_____ being the _____ instalment of _____ % on _____ Shares of stock of the Pan-American Printing Company.</p> <p>Amount previously paid on above shares, \$ _____</p>	<p>\$ _____ PAN-AMERICAN PRINTING COMPANY</p> <p style="text-align: center;">SCRANTON, PA., _____, 190 .</p> <p>Received from _____ Dollars</p> <p>being the _____ instalment of subscriptions to _____ Shares of the stock of the PAN-AMERICAN PRINTING COMPANY of the par value of \$100 each.</p> <p>This receipt is to be returned in exchange for Certificates of Stock of said Company as soon as the full par value of said shares shall have been paid.</p> <p>Amount previously paid on above shares, \$ _____</p> <p style="text-align: center;">NEGOTIABLE.</p> <p style="text-align: right;">Treasurer.</p>
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FIG. 3



the first meeting of directors. Subscriptions to stock are not required to be made in any particular form.

**34.** A companion book to the Subscription Book is the **Instalment Receipt Book**, shown in Fig. 3. When all instalments have been paid by a subscriber, the receipts may be surrendered to the company and a stock certificate taken in exchange, the receipts being canceled and pasted to their respective stubs.

**35.** The **Stock Certificate Book** contains the printed or engraved forms of stock shown in Fig. 1. When a certificate is issued, it is detached from the stub, on which is entered the particulars of its issue. Stock certificates are issued in the first place to the persons entitled to full-paid shares, and are issued in accordance with the vendor's agreement where stock is issued for property, and in accordance with the subscription book or subscription list in the case of stock issued for cash. In the case of an original issue of certificates, the stubs should show whether the shares represented by the certificate are issued for money or property.

When a stock certificate is surrendered for transfer, it should be canceled and pasted to the stub in the certificate book to which it belongs, and the number and date of issue of the new certificate should be written on the stub.

**36.** In the **Stock Ledger** are kept debit and credit accounts with the stockholders, showing the number of shares owned by each. A stockholder is credited with all shares acquired, whether from the company or by purchase and transfer from other persons, and is debited from time to time with the number of shares sold and transferred by him. The **Stock Ledger** is originally posted from the **Stock Subscription Book** and from the stubs of the stock certificates, and afterwards from the transfer book. The form of the **Stock Ledger** is shown in Fig. 4.

**37.** In addition to the **Stock Ledger** and **Transfer Books**, some companies also keep a **Stock Register**, which is shown



**38. A common form of Transfer Book, which contains two or more transfers to a page, is shown in Fig. 6. When an old certificate is surrendered to the company with the form of assignment on the back filled in, or accompanied by a separate assignment paper, the person named as attorney**

## STOCK REGISTER

Stock Register of the PAN-AMERICAN PRINTING COMPANY.  
Capital Stock, \$100,000. Shares, \$100 each. Shares authorized to be  
issued, 1,000.

[illegible]

**Fig. 5**

in fact makes an entry of the transfer on the Transfer Book and signs his name. If the signature of the stockholder signing such transfer is not known to the transfer agent or other officer acting as transfer clerk, it should be guaranteed by a responsible person, firm, bank, or trust company whose signature is familiar to the transfer agent or officer.

New Jersey corporations whose business offices are outside of the state of New Jersey enter all transfers in duplicate on the sheets as above described, one sheet being mailed to the registered agent in New Jersey and the other retained at the business office. This is also necessary in the case of Delaware corporations and those of other states where the law requires transfer and stock books to be kept in the state.

## TRANSFER BOOK

No. Shares	
Transferred by	
Ledger Folio	
Transferred to	
Ledger Folio	
No. Certificate Surrendered	
Date Certificate Surrendered	
No. Certificate Issued	
Dated	

PAN-AMERICAN PRINTING COMPANY	
Transfer No.	_____, 190
FOR VALUE RECEIVED, I, _____,	
of _____, do hereby sell, assign, and transfer to	
_____ of _____,	
_____ Shares of the Capital Stock of	
PAN-AMERICAN PRINTING COMPANY	
standing in my name on the books of the Company.	
By	_____

FIG. 6

The registered agent writes up the duplicate stock register in the registered office from the duplicate transfer sheets sent in. It is necessary that the sheets be forwarded promptly to the registered agent, as the books in its possession are in law the original stock ledger and transfer book of the company.

A loose-leaf transfer book used by some corporations is shown in Fig. 7.

Sometimes a stockholder desires to surrender a certificate for a large number of shares and take in exchange two or more certificates for a smaller number of shares. This is called a **split**. There being no change of ownership, a formal transfer is not required, but it is customary to require the stockholder to sign the assignment on the back of the certificate and an entry is made on the transfer book, noting the fact in the column headed By Whom Transferred that it is a split, or the word "himself" may be written in. It is not necessary in such cases, there being no change of title, to have the entry in the transfer book signed by an attorney in fact.

Several certificates for small amounts may be surrendered and a single certificate taken in exchange. This is also known as a split, and the matter is treated in the same manner as a split, as above indicated.

Splits of certificates do not affect the right of the stockholder to vote at the annual election or to receive dividends, being in no legal sense transfers of stock.

It is customary for the transfer agent to charge a small fee for making splits and consolidations.

In large companies it is customary to have a bank or trust company act as transfer agent, and in such cases all certificates are usually countersigned, after having been signed by the president and treasurer of the company, as follows:

Countersigned this                      day of                      , 190 .

The Corporation Trust Company of New Jersey,  
*Transfer Agent,*

By

*Auditor.*

By virtue of the instrument of transfer and power of attorney indorsed on or attached to the several certificates thereof, the shares of preferred stock of the Western Realty Company described below are hereby transferred as set forth below by the undersigned as attorney in fact of the several registered owners of said shares. Capital stock, \$300,000. Par value shares, \$100.

NO. OF TRANSFER	DATE '90	CERTIFICATES SURRENDERED	BY WHOM TRANSFERRED	FOLIO	CERTIFICATES ISSUED	TO WHOM ISSUED	FOLIO	ADDRESS	SIGNATURE OF ATTORNEY IN FACT
		Members Shares			Members Shares				
		James	Capital Forks,		1 "	James E. Bletcher		Mason Loring St.	
					2 3	E. P. Merrill		120 Broadway, N.Y.	
					3 3	L. M. Jones,		" "	
					4 990	L. M. Strauss,		Butter Mont	
					5 2	N. G. Lyman,		" "	J. Payson
	" 10	"	James E. Bletcher,		6 2	E. C. Taylor,		" "	
					7	Cancelled Outrightly (Spoiled)		" "	
					8 1	Carol Williams,		St. North Street	
	" 25	3 3	L. M. James,		9 1	L. M. Young,		" "	J. Payson
					10 1	R. B. Jones,		" "	

**Fig. 7**

**39.** When a dividend is declared it is necessary to make up a list of the stockholders entitled to receive such dividend. This list is made in a **Dividend Book**, a form of which is shown in Fig. 8. Many companies use for this purpose loose sheets with a binder instead of a book. Dividends are usually paid by check, and large companies deposit the total amount in the bank in a special account and get up a special check for each dividend. Each check specifies the number and date of the dividend and thus answers the purpose of a voucher.

#### DIVIDEND BOOK

Stock Dividend No. \_\_\_\_\_ Sheet No. \_\_\_\_\_  
 List of holders of \_\_\_\_\_ stock of the \_\_\_\_\_  
 Company as shown by the transfer books at the closing thereof at  
 \_\_\_\_\_ M. on \_\_\_\_\_, 190 , and to whom the  
 dividend of \_\_\_\_\_ per cent. declared \_\_\_\_\_, 190 , is  
 payable on \_\_\_\_\_, 190 .

Name of Stock- holder	To Whose Order Check Should Be Drawn if Different From That of Stockholder	Mailing Address	No. of Shares	Amount of Dividend Paid	No. of Check Issued in Payment Thereof

FIG. 8

Sometimes a stockholder desires that the company shall pay a specified dividend or all dividends on his shares in the company to another person or to a bank. In such cases the company requires the stockholder to execute and deposit with it a **dividend order**, as shown in Fig. 9.

The name of such payee is entered in the second column of the dividend list of Fig. 8.

## PERMANENT DIVIDEND ORDER

\_\_\_\_\_, 190\_\_\_\_

*To the Treasurer of the Pan-American Printing Company,  
434 Wyoming Avenue, Scranton, Pa.*

Until this order is revoked in writing, please remit by mail to the address as stated in the margin, and by Check drawn payable to the order of the \_\_\_\_\_ all dividends on \_\_\_\_\_ Stock of the PAN-AMERICAN PRINTING COMPANY, now due, or that may hereafter be paid by your Company, on any \_\_\_\_\_ Shares of Stock of said PAN-AMERICAN PRINTING COMPANY that may at the time stand in the name of \_\_\_\_\_

NOTE.—This order must be signed by the stockholder in person or authorized representative. If by representative, then papers showing authority must be filed with this order.

When the check is *not* to be drawn in favor of the stockholder the signature must be notarially acknowledged, using the form on the back of this order.

FIG. 9

Name and address to which checks are to be sent



## ENTRIES IN CORPORATION BOOKS

**40.** When a corporation is formed, it falls into one of three general classes, so far as the opening of the books is concerned:

1. Where the shares of stock are issued for money only.
2. Where the shares of stock are issued for property or for property and money.
3. Where the shares of stock are issued for property alone, but working capital is to be provided by the sale of shares of stock donated to the company for the purpose.

These different methods of opening the books will be described in detail, using a supposed corporation subscription list in each case.

**41. Opening Entries When Capital Stock Is Issued for Money Only.**—The Steel Castings Company is a new enterprise organized to manufacture steel castings. The capital stock is \$30,000, which is subscribed in equal amounts by John Brooks, Francis Jones, and Arthur Haywood. Assuming that these subscriptions are paid in full, the following Journal entry will be made:

Subscriptions,	30000.00	
Capital Stock,		30000.00
For shares of stock subscribed as follows:		

John Brooks,	100 shares
Francis Jones,	100 shares
Arthur Haywood,	100 shares

As per subscription list dated \_\_\_\_\_, 190 .

(See Minute Book, p. \_\_.)

Subscription account is debited and Capital Stock account is credited for the full amount of stock. If all the stock is not subscribed for, the Capital Stock is credited for only the amount subscribed for. Capital Stock is a nominal liability of the company and always remains open. This account must never be changed in any way without the authority of the board of directors, nor should the amount ever exceed the total amount of capital stock authorized by the charter of the company.

The subscribers having paid in the amounts of their subscriptions, the following entry should be made on the debit side of the Cash Book:

Subscriptions,	30000.00
Amount paid in by subscribers for stock as follows:	
John Brooks,	10000.00
Francis Jones,	10000.00
Arthur Haywood,	10000.00

We will now take the case where the subscriptions are not paid in full, but an assessment of a certain amount is made by the directors and paid by the stockholders, the balance due to be subject to call by the board.

The Journal entry will be the same as before:

Subscriptions,	30000.00	
Capital Stock,		30000.00
For shares of stock subscribed as follows:		
John Brooks,	100 shares	
Francis Jones,	100 shares	
Arthur Haywood,	100 shares	

An assessment of 10 per cent., or \$10.00, per share, is made by the directors and paid by the stockholders. The following Journal entry is made:

Assessment No. 1,	3000.00	
Subscriptions,		3000.00
Being assessment of 10 per cent. on the shares of the company subscribed as follows:		
John Brooks,	1000.00	
Francis Jones,	1000.00	
Arthur Haywood,	1000.00	

As per resolution of directors adopted\_\_\_\_\_, 190 . (See Minute Book, p. —.)

Assessment No. 1 account is opened in the Ledger and debited, and subscriptions account is credited.

The assessment having been paid to the treasurer, the following entry is made on the debit side of the Cash Book:

Assessment No. 1,	3000.00
Amount paid in by subscribers for stock as follows:	
John Brooks,	1000.00
Francis Jones,	1000.00
Arthur Haywood,	1000.00

This will close the account Assessment No. 1 in the Ledger. When the second assessment is made, an account is opened with Assessment No. 2.

**42. Opening Entries When Part of the Capital Stock Is Issued for Property and the Balance for Money.**—The Pan-American Printing Company is a corporation formed to take over a general printing business owned by John Howard. The capital stock is \$100,000. Of this amount, \$75,000 is issued as full-paid stock to Mr. Howard for the good-will and assets of the business, the company also assuming the payment of the liabilities. The balance of the capital stock, amounting to \$25,000, is issued for cash to new parties.

The following is a statement of the resources and liabilities of the business, Mr. Howard's personal account having been adjusted on his books:

*Resources*

Cash on hand and in bank,	2640.00	
Bills receivable,	1500.00	
Accounts receivable,	7481.60	
Machinery,	9000.00	
Type,	1400.00	
Fixtures and office furniture,	1120.00	
Material,	2962.80	26104.40

*Liabilities*

Bills payable,	1000.00	
Accounts payable,	1454.40	2454.40
		<u>23650.00</u>

The directors of the company having determined that the value of the good-will and assets, after deducting the liabilities which are to be assumed by the company, is \$75,000, the value of the good-will to be entered in the books of the company is ascertained by deducting the assets of \$23,650.00 from \$75,000, which gives \$51,350.00. The following Journal entry is then made to open the books:

Good-will and property of the business of John Howard transferred to this company by agreement, dated March 5, 190 (see page — of the Minute Book), as follows:

Good-will,	51350.00
Cash,	2640.00
Bills receivable,	1500.00
Machinery,	9000.00
Type,	1400.00
Fixtures and office furniture,	1120.00
Material,	2962.80

Accounts receivable as follows:

[Here specify all accounts receivable, giving names of debtors and balance due by each as shown by old books, so that an account may be opened in the Ledger with each customer.]

7481.60

Capital Stock,	75000.00
Bills payable,	1000.00

Being bills payable of the business of John Howard assumed by this company as follows:

[Insert list of same.]

Sundry accounts payable,	1454.40
--------------------------	---------

Being accounts payable of the business of John Howard assumed by the company as follows:

[Insert list of creditors.]

If desired, an account may be opened in the Ledger with each creditor, although this is not necessary.

The above entries provide for the \$75,000 of the capital stock issued for property. The balance of \$25,000 should be treated as set forth in Art. 41, omitting the entries Assessment No. 1, etc., if the entire amount is to be paid in at once; that is to say, debit Subscriptions account and credit Capital Stock; then, when payment is made, debit Cash and credit Subscriptions, thereby closing that account.

**43. Opening Entries When Capital Stock Is Issued for Property and Part of Such Stock Is Donated to the Company to Provide Working Capital.**—John Appleton, George Watson, and Alexander Thomas own a gold mine. They form a corporation with an authorized capital stock of \$1,000,000, divided into 1,000,000 shares of \$1 each. The entire capital stock is issued to them in consideration of the conveyance of the mine to the company, thus making such capital stock fully paid up.

The following entries are then made in the Journal:

The Stella mine,	1000000.00
Conveyed to the company by John Appleton, George Wat- son, and Alexander Thomas by deed dated March 5, 190 , and duly recorded, a copy of which deed with the indorse- ments as to recording is entered at page — of the Minute Book, in exchange for 1,000,000 shares of full-paid stock of the company, such purchase having been author- ized by resolution of the board of directors adopted March 5, 190 , and entered in the Minute Book, at page —.	
Capital Stock,	1000000.00

In the Stock Ledger, Capital Stock account is debited with 1,000,000 shares, and the vendors of the mine are credited with the number of shares to which each is entitled, as follows:

John Appleton,	500,000 shares
George Watson,	250,000 shares
Alexander Thomas,	250,000 shares

The stockholders agreeing to donate one-half of their holdings to the company to provide working capital to be used in developing and operating the mine, the following Journal entry is then made:

Treasury Stock,	500000.00	
Working Capital,		500000.00

Being the par value of 500,000 shares of stock donated to the company by John Appleton, George Watson, and Alexander Thomas to be sold for the benefit of the company to provide working capital.

In the Stock Ledger, an account is opened with Treasury Stock, which is credited with \$500,000, and the accounts of the donors are debited as follows:

John Appleton,	250,000 shares
George Watson,	125,000 shares
Alexander Thomas,	125,000 shares

It having been determined to sell 200,000 shares at 25 cents on the dollar, and subscriptions having been taken accordingly, the following entry is made in the Journal:

Subscriptions to Treasury Stock,	50000.00	
Working Capital,	150000.00	
Treasury Stock,		200000.00

The above accounts of Treasury Stock and Working Capital are fictitious accounts; that is to say, they do not represent actual assets and liabilities, and are used only for the purpose of getting the real accounts on the books. The fictitious accounts are never closed into Loss and Gain, except in the case of Treasury Stock, which may be closed into Loss and Gain account for the purpose of making a stock dividend.

The subscriptions having been paid in, are entered on the debit side of the Cash Book as follows:

Subscriptions to Treasury Stock,	50000.00
----------------------------------	----------

Accounts are then opened in the Stock Ledger with each of the subscribers, and credited with the number of shares subscribed, and Treasury Stock account is debited.

Should a statement of liabilities now be made up, it will be found that the assets exceed the liabilities by \$50,000. It is not necessary to say, however, that this surplus is not to be used for the purpose of paying dividends on the stock. The directors are usually authorized by the charter or by-laws to reserve such portion of the surplus and net profits as they deem proper for working capital, and therefore to prevent such cash from appearing on the books as a profit, another fictitious account of Contingencies is opened, and the following entry is made in the Journal:

Contingencies,	50000.00	
Working Capital,		50000.00

Being amount reserved as working capital by resolution of the board of directors. (See Minute Book, p. \_\_\_\_).

**44. Entries When a Cash Dividend Is Declared and Paid.**—The Pan-American Printing Company has a capital stock of \$100,000, all of which is issued. The net profits for the quarter as shown by the books amount to \$4,000. The directors by appropriate resolution declare a dividend of 2 per cent., or \$2 per share, payable on a specified day.

The first entry in the Journal is as follows:

Loss and Gain,	4000.00	
Surplus,		2000.00
Reserve,		2000.00

For amount of net profits carried from Loss and Gain account to Surplus and Reserve accounts to provide for the payment of quarterly dividend No. 1 of 2 per cent., payable to the stockholders of record on \_\_\_\_\_, 190 , and to provide a reserve fund, not available for the payment of dividends until further action of the board, as authorized by resolution of the board of directors. (See page — of Minute Book.)

The following Journal entry is then made:

Surplus,	2000.00	
Dividend No. 1,		2000.00

The dividend list is made up and checks are forwarded to the persons entitled to receive the dividends, the following entry being made on the credit side of the Cash Book:

Dividend No. 1,	2000.00	
Amount of 2-per-cent. dividend paid _____, 190 , by checks Nos. ____.		

The amount carried to Reserve may be used for working capital, or if the directors deem proper may be used for paying dividends. In the latter case, the Reserve account is closed into Surplus, and the dividend paid therefrom as above indicated.



**45. Entries When a Stock Dividend Is Declared.**

As explained previously, it is sometimes deemed advisable by the directors not to pay a dividend in money but to issue shares of stock to the stockholders pro rata. It should be borne in mind, however, that it is not proper to declare a stock dividend unless it would be proper to declare a money dividend; that is to say, there must be a surplus of assets over liabilities.

First, take the case of a dividend of unused original shares, where a dividend of \$100,000 is to be made. The following Journal entry will be made:

Loss and Gain,	100000.00	
Surplus,		100000.00
Then:		
Surplus,	100000.00	
Stock Dividend,		100000.00

Being a dividend of 10 per cent.  
declared \_\_\_\_\_, 190 ,  
payable to stockholders of record  
on \_\_\_\_\_, 190 , in full-  
paid shares, as declared by reso-  
lution of the board of directors,  
adopted \_\_\_\_\_, 190 .  
(See Minute Book, page \_\_\_\_.)

Then:

Stock Dividend,	100000.00	
Capital Stock,		100000.00

Stock certificates are then prepared and issued to the stockholders for the proper amounts, and each stockholder is credited on the Stock Ledger with the number of shares so issued to him, and Capital Stock account in the Stock Ledger, if one is kept, is debited.

Next, take the case of a stock dividend of treasury stock (that is, stock once validly issued and subsequently acquired by the company). Using the same figures as above, the following entries will be made:

Loss and Gain,	100000.00	
Surplus,		100000.00
Then:		
Surplus,	100000.00	
Stock Dividend,		100000.00
Being a dividend of 10 per cent. declared _____, 190 , in treasury stock at par, as declared by resolution of the board of directors, adopted _____, 190 . (See Minute Book, p. —.)		

Then:

Stock Dividend,	100000.00	
Treasury Stock,		100000.00

Each stockholder is then credited on the Stock Ledger with the proper number of shares and the account of Treasury Stock in the Stock Ledger is debited.

It is not necessary when the stock dividend is made of treasury stock that such treasury stock should be taken at its par value. The dividend may be made in treasury stock at the market value or at a valuation to be determined by the board of directors. In such case the matter would be treated as follows, assuming that the surplus is \$50,000, and the value of the treasury stock \$50 per share:

Loss and Gain,	50000.00	
Surplus,		50000.00
Then:		
Surplus,	50000.00	
Stock Dividend,		50000.00
Then:		
Stock Dividend,	50000.00	
Working Capital,	50000.00	
Treasury Stock,		100000.00

As treasury stock itself may properly be considered in determining the net gain for the purpose of declaring a dividend of such treasury stock, the matter may in such

a case be carried through the books at the par value of the treasury stock.

**46. Entries When Capital Stock Is Issued at a Premium.**—It sometimes happens that shares of stock are subscribed at a price in excess of the par value.

First take the case of an original issue of shares at a premium. The American Steel Company has an authorized capital stock of \$500,000, shares \$100 each. Of this amount \$400,000 has been issued and paid. It is determined to issue the remainder of the authorized shares, amounting to \$100,000, at \$110 each. The following Journal entry is made:

Subscriptions,	110000.00	
Capital Stock,		100000.00
Working Capital,		10000.00

When the subscriptions are paid, credit Subscriptions in the Cash Book with the amount paid.

Next take the case of a sale of treasury stock (that is, stock once fully paid and issued and subsequently acquired by the company, either as a donation from stockholders or by purchase or in any other lawful manner) at a premium. Using the same figures as in the last example, the following Journal entry is made:

Subscriptions to Treasury Stock,	110000.00	
Treasury Stock,		100000.00
Working Capital,		10000.00

Then on the debit side of the Cash Book:

Subscriptions to Treasury Stock,	110000.00
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thus closing that account in the Ledger.

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**SOME MATTERS TO BE KEPT IN MIND IN MAKING  
ENTRIES RELATING TO CAPITAL STOCK**

**47.** It is always to be remembered that shares of stock to be full paid and non-assessable must be paid up to the amount of their par value, either in money or property purchased. It is absolutely essential in every case, therefore, that against the Capital Stock account in the Ledger, which

is treated as a liability of the company, there must appear an equal amount of assets. If the capital stock is paid wholly in money, then the cash account must balance the Capital Stock account. If paid in property, then the aggregate of the property accounts in the Ledger, such as real estate, plant or machinery, patents, good-will, etc., must equal the Capital Stock account. If part of the Capital Stock account is afterwards "turned back into the treasury," to use an expression in common use, to be sold for the purpose of getting working capital, the amount should be treated on the Ledger as an asset, making a nominal surplus, to be offset by a nominal liability account such as Working Capital.

Where stock is issued for intangible values, such as patent rights, good-will, and the like, the average bookkeeper is disposed to ignore them altogether in opening the books, thus creating at the outset an apparent deficit. Such errors may result in stockholders being held personally liable to creditors, in case of failure, to the amount of such deficit.

When stock is issued for property, the bookkeeper should have access to the Minute Book, deeds, bills of sale, and other papers relating to the transaction, in order that the issue may be explained in the Journal.

It is also to be remembered that shares of stock cannot be originally issued at a discount or given away. It is a common thing for corporations to give a bonus of stock to subscribers. If such a bonus consists of shares which have never been issued and paid up in full, the holders are personally liable to creditors, in case of the insolvency of the corporation, to the amount of the par value of such bonus stock held.

# ELEMENTS OF COST ACCOUNTING

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## MANUFACTURING COST

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### ONE LINE OF GOODS

1. The finding of the cost of manufacturing a product is called **cost accounting** and is an important part of a book-keeper's work. The following explanations and illustrations cover the principles of the work and the method to be followed when a system of cost accounting is to be introduced into a going business.

In many business houses no attempt is made to ascertain the loss or gain until the end of the business year. This is not a good plan, as no business man can afford to wait a year to know the condition of his affairs. By the following plan a fairly accurate perpetual inventory will be had and the loss or gain for any period can easily be obtained. While a period of any length may be used, it will be found best, for purposes of comparison, to have the periods of the same length; therefore, one of 4 weeks is frequently adopted, which gives thirteen periods to a year.

While a detailed explanation of each Ledger account is given later, it is thought best to give here a short summary of the method to be followed in closing a going set of books, adapting them for showing the gain or loss every 4 weeks, and finding the gain or loss at the end of such a period. The books explained show a profit.

2. The closing of a going set of books preparatory to keeping them by the 4-weeks-period method must be done in

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a slightly different manner than after such method is adopted. A trial balance and inventories must first be had, then the inventories should be entered in red ink on the respective accounts, resources on the credit side and liabilities on the debit side. To find the gross gain, Manufacturing account is charged through the Journal with the balances of Taxes, Insurance, Raw Material, Supplies, Labor, Fuel, Salaries, and General Expense accounts, and through the Impairment and Betterment account with the amount to be charged off for depreciation on plant, each of which is credited. Goods, Consignment, and Waste accounts are debited and Manufacturing account credited for their balances. Manufacturing account is then debited and Loss and Gain credited with the gross gain. The net or true gain for the period is then found by debiting Rent and crediting Loss and Gain for the gain on rent, and Loss and Gain is debited and Cash Discount, Bad Debts, and Interest credited for the losses on these accounts. When the entries have been posted, the accounts ruled, and the inventories brought down, the books are in shape to be kept by the 4-weeks-period method.

At the end of each 4 weeks-period a trial balance shows the condition of each account, the balances of the Raw Material and Supplies accounts show the value of these on hand, and the credit side of these accounts the amount and cost value of them used during the period, and the Goods record the daily and total production of goods for the period. No actual inventories are taken. A computation is then made to find the total cost and the cost per pound of the production.

To the cost value of the raw material, supplies, and fuel used is added the amount paid out for labor, general expense, and salaries, and one-thirteenth of the known or estimated cost for the year for insurance, taxes, and depreciation. The sum of these is the total manufacturing cost for the period, which divided by the pounds produced gives the cost per pound. With this information the value of the finished product on hand and the cost of the goods sent on consignment are easily found and the books closed. The inventories of Raw Material, Supplies, Fuel, the estimated value of

the Waste on hand, Goods in Process, and the known value, at cost, of the finished product on hand and out on consignment should be entered in red ink on the credit side of their respective accounts. Entries should now be made debiting **Manufacturing** account for the total cost for the period and crediting Raw Material, Supplies, Labor, Fuel, Insurance, Taxes, General Expense, Salaries, and Impairment and Betterment for the items composing the total cost; debiting Goods and crediting **Manufacturing** for the total cost; debiting Consignment and crediting Goods for the cost value of the goods sent out on consignment; debiting Rent and crediting Tenant Property Taxes and Insurance for one-thirteenth of the estimated cost for the year for taxes and insurance; debiting Rent and crediting Tenant Property Impairment and Betterment for one-thirteenth of the yearly allowance for depreciation; debiting Rent, Goods, Consignment, and Waste and crediting Four-Weeks' Loss and Gain for the gain now shown by these accounts; debiting Loss and Gain and crediting Cash Discount, Interest, Goods in Process, Bad Debts, and Salesman for the losses now shown by these accounts. The balance of the Four-Weeks' Loss and Gain account now shows the net gain for the period; this is transferred to Loss and Gain account by debiting Four-Weeks' Loss and Gain account and crediting Loss and Gain.

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#### LEDGER ACCOUNTS

3. No particular form of Ledger is necessary for this method of finding manufacturing cost, but a loose-leaf Ledger in the ruling shown is a convenient form.

4. The charges that go to make up the manufacturing cost for a given period are collected by Journal entries into the **Manufacturing** account. Raw Material, Supplies, and Fuel are credited for the cost of the items used; Salaries, Labor, and General Expense for the amount paid out for them during the period; Insurance and Taxes for the pro rata cost; and depreciation, through the Impairment and Betterment account, for the amount written off as a reserve for

the reproduction of the plant. The total of these credits is debited to Manufacturing and shows the manufacturing cost of the products.

5. The record of the cost of material from which the goods are made, such as wheat, wool, cotton, etc., is kept in an account called **Raw Material**. This is debited with all purchases, including freight. It is credited at the end of the time period at the cost plus freight with all the material consumed in the manufacture of goods. The difference between the sides of the account when thus kept will show the cost value of the material on hand, and in this way may be used as a perpetual inventory. Such an inventory, however, should be checked by the taking of an actual inventory annually or semiannually.

In order to know how much material is used in the production of goods, all material, supplies, etc. should be in charge of a storekeeper and delivered to the factory departments only on receipted orders. From these orders, at the end of the time period, is taken the amount that is credited to Raw Material, Supplies, etc. and debited to the Manufacturing account.

As an aid in figuring the cost of material called for by the orders, what is known as the decimal method is often adopted. This method is the ascertainment of the original cost of ten pieces or pounds of material plus freight and then compiling tables in multiples of the cost so that the value of the material called for by any order can be seen at a glance.

When a cash discount is allowed and taken off of material purchased, there are two general methods of handling it: one to debit the Material account with the full amount of the invoice and credit merchandise discount; when the books are closed the merchandise discount account is closed to the credit of the Raw Material account or direct to Loss and Gain account. The other method, and one that is rapidly growing in favor, is to debit the Material account with the net amount of the invoice, thus saving much unnecessary work. The result is the same.



6. The **Supplies** account is debited with the cost of all purchases, plus inward freight, and credited at cost price plus freight at the end of the time period with the value of the supplies used. The difference between the debit and credit shows the value of the goods on hand; this difference is used as an inventory.

7. The **Labor** account is charged with the total amount paid for direct labor on the goods produced. The total debit to this account for the time period is charged to Manufacturing account.

8. The **Fuel** account is debited with the amount paid for fuel of all kinds, including freight. Expenses for lubricants are generally included in this account. Should it happen that any sales of fuel, etc. are made, then the account should be credited. The debit balance less the inventory is charged to Manufacturing account at the end of the time period.

9. The **Insurance** account is debited with the amount paid for insurance premiums as they become due. The cost for insurance for any time period should be a part of the manufacturing cost of the goods made during that period. If a time period of 4 weeks is used and the total insurance premium for a year is paid in advance, then one-thirteenth of this premium should be debited to Manufacturing account and credited to Insurance at the end of each 4 weeks. If, however, the premiums are not paid in advance for a year, then the amount should be estimated and one-thirteenth charged and credited as above and an adjustment made at the end of the last period.

10. When taxes are paid in advance the **Taxes** account should be treated the same as the Insurance account. When not paid in advance, the estimated pro rata expense for the period should be considered when figuring the manufacturing cost for a stated time.

11. There are always small payments for incidentals like stamps, telegrams, etc., for which it is not desired to

keep separate accounts and yet which are not chargeable to Supplies; these are charged to **General Expense** account and considered as a part of the manufacturing cost for the period in which they were paid out.

12. The salaries of officers and clerks connected with the manufacturing part of a business are a charge against the cost of the manufactured product, but as this expense is not directly productive labor a separate account called **Salaries** account is kept for it. The debit of this account should be charged to **Manufacturing** account at the end of each time period.

The Salary column in the Cash Book should contain all payments made on account of these items. If care be taken to see that all salaries of officers are paid at the end of each 4 weeks, one-thirteenth of the yearly amount, the total of this column can be carried direct to the **Manufacturing** account; otherwise, if payments are made by the calendar month, one-twelfth of the yearly amount, carry the total of the special column, whatever it may be at the end of the time period, to the **Ledger** account as above, but carry only one-thirteenth of the yearly amount to **Manufacturing** account. The difference will show liability. The account will balance at the end of the year.

If part of the time of those drawing salaries is devoted to other duties than those connected with the manufacturing of the goods, then that time should not be charged against the cost of manufacture but against the department for which the work was done, as advertising, selling, etc., from which it will be carried to the **Four-Weeks' Loss and Gain** account to be accounted for in producing the true loss or gain.

13. The wearing out and the lessened value of machinery, buildings, etc. should be taken into account in the manufacturing cost of goods and not left to be accounted for in a lump sum at some future time. As the items on which there is a depreciation are constantly carried in the **Plant** account at cost, the pro rata depreciation for the time period should be credited to **Impairment and Betterment**

No. 4

Name

Plant.

Address

DATE 190	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
Dec. 31	J.	1.			99800-
Mill Site			2200-		107250-
Jan. 15	J.	3		750-	
C.B.		4		200-	
Buildings			23000-		
Machinery			63000-		
Jan. 15	J.	3	14000-		
				5600-	
Power Plant			10000-		
Tools & Fixtures			500-		
Office Furniture			800-		
Horses & Wagons			300-		

FIG. 1

account and charged to Manufacturing account at the end of the time period.

The following percentages of depreciation during a year are in quite general use: Mill site, 0 per cent.; buildings, 3 per cent.; machinery, 10 per cent.; power plant, 7 per cent.; tools and fixtures, 15 per cent.; office furniture, 10 per cent.; horses and wagons, 25 per cent.

14. The **Plant** account includes the subdivisions into which a manufacturing plant is usually divided. Some book-keepers prefer to have a separate account for each division. The changes in these accounts are so few, however, that an arrangement as shown in Fig. 1 answers the purpose and brings the sum of the divisions into the trial balance under one head, while the detail of the divisions is sufficient to be of value as a check record on the itemized inventory of each, which should always be kept, not only for the information it affords at all times but also because of its special value in settling insurance claims in case of a serious fire. In this account all items are carried at cost indefinitely, and all records of repairs, depreciation, etc. are made in the Impairment and Betterment account. Whenever items are purchased or sold, the necessary entries affecting the subdivisions of the accounts are made in the Journal and posted, as illustrated in the Model Set by those entries affecting mill site and machinery accounts.

15. Any expense for a new building that will be a permanent improvement and increase the asset value of a plant should be charged through the Cash Book to a **New Building** account. When the building is completed the account will be handled as the other items of the Plant account.

16. Many manufacturing concerns operate tenant property, on which it is desirable to have monthly gain or loss report. It has no bearing on manufacturing cost and therefore the account should be kept separate from the Plant account. The **Tenant Property** account is debited with the cost of the property bought or built. Accounts are opened with Tenant Property Impairment and Betterment, Tenant

Property Taxes and Insurance, and Rent, through which accounts are handled the depreciation, expense, and income items for the property.

17. All payments for keeping up tenant property should be debited to **Tenant Property Impairment and Betterment** account. The amount charged off for depreciation should be credited to this account and debited to Rent. The difference will show the amount held for betterment.

If the workmen are furnished the houses free of rent, a corresponding decrease of wages being made on this account, then the expense of keeping up tenant property becomes rightfully a charge against manufacture, and Manufacturing account should be debited.

18. The taxes and insurance on tenant property are treated in a **Tenant Property Taxes and Insurance** account the same as these items for Plant account are treated in Taxes and Insurance accounts.

19. The depreciation on tenant property is debited to Rent account, which is credited with the rental money received. The difference in the account will represent the true gain during a time period. If the rent is due and unpaid, to arrive at the true gain, the unpaid rent is handled as an inventory. The account is closed to the Four-Weeks' Loss and Gain account.

20. The Goods account is the same as a merchandise sales account and is credited from the Sales Book and Cash Book with all direct sales of goods. At the end of each period it is debited and Manufacturing account credited for the cost of the goods produced. A record of the quantity produced being kept, the cost per pound, or other unit, is easily found. It is then credited and Consignment account debited at cost price with all goods sent out on consignment, the quantity of such goods having been entered in the Sales Book as they were sent out and posted to the Ledger.

The manufacturing cost per pound and the quantity produced being known and a record having been kept of the

quantity of goods sold, the quantity on hand can be easily found without actually taking an inventory. This quantity multiplied by the cost per pound gives the value of the inventory.

When a cost-accounting system is installed in a going business the Goods account must be debited with the inventory of the goods on hand. If this inventory is taken at cost price, the result shown by this account at the end of the period will be correct, but if the inventory is taken, as will most likely be the case, at a higher valuation than cost price, then, to have the account show the true result for the period, this advance of the inventory valuation over the true cost of the goods must be adjusted before any entries for the period are made. This is best done by making a conservative revaluation of the goods and then charging Loss and Gain account with the difference in inventories, thus leaving Goods account charged with the true valuation of the goods on hand at the beginning of the period and returning to the debit side of Loss and Gain account the enhanced value given in the first inventory.

21. A certain amount of raw material is necessary to fill the mill, and as it is in various stages of development into finished product it is generally taken as a separate item of inventory. The exactness of this inventory depends on good judgment. If, however, material orders, workmen's time tickets, and assembling cards are used, an accurate record of the value of these goods may be had. Instead of keeping the partly prepared material in the Raw Material or the Goods account, a **Goods In Process** account is used. This is debited with the inventory at the end of each period. Any difference in the inventories is a gain or loss, which is handled by closing the account to the Four-Weeks' Loss and Gain account.

22. In all factories there is more or less waste of partly worked material. As the cost of all material taken from the stock room is considered when figuring the cost of this product, the waste affects the Manufacturing account only by

lessening the amount produced and thus increasing the cost. Therefore, if this waste is saved and later sold, the amount received is a gain and is credited to the **Waste** account, which is closed to the **Four-Weeks' Loss and Gain** account.

**23.** It will sometimes happen that goods are returned and credit must be given to the customer. Returned goods may be charged to **Goods Returned and Rebate** account and when sold again credited to that account. Any gain or loss arising from the reselling of goods returned should be handled through the **Loss and Gain** account for the period in which the goods are sold. Returned goods thus handled must be kept separate from the regular stock, and as this is often found difficult, some houses make a reverse entry, debiting **Goods** and crediting the customer, thus throwing the goods back into the **Goods** account, where they are carried at cost until sold again.

Claims for rebate or deductions made by customers when paying bills are a charge against the **Loss and Gain** account and should be treated as cash discount and handled through the **Cash Book**.

**24.** **Interest** account is debited at the end of the time period with the amount paid out and credited with the amount received.

In arriving at the true cost of production, it is supposed that the value of the manufacturing plant has been paid in, also that sufficient working capital is available. If the money has to be borrowed and interest paid, this is not, strictly speaking, a charge against manufacturing cost, but a diminution of the **Gain** account. If a customer's account is overdue and interest is collected in the final settlement, this is a direct gain, not a matter to lessen manufacturing cost. Therefore, all interest, whether incoming or outgoing, is to be considered from the point of loss and gain, and the **Cash Book** is provided with **Interest** columns on both sides to receive these entries.

**25.** Losses from bad debts cannot be ascertained in advance, and to properly prorate them over various periods

requires that an estimate be made of the probable amount based on past experience. If experience has shown that bad debts amount to an average of 2 per cent. of the sales, **Four-Weeks' Loss and Gain** is charged at the end of each time period with 2 per cent. of the total amount of the sales charged during that time period and **Bad Debts** account credited with a similar amount. When losses occur from bad debts, **Bad Debts** account is debited with the amount and the individual account credited. The credit balance of the **Bad Debts** account is carried on the books as a liability to meet future losses.

**26.** It is a question whether expenses for salesmen and advertising should be included in the manufacturing cost or whether they should be carried to the **Four-Weeks' Loss and Gain** account. The weight of opinion favors the latter method.

When the expenses of traveling salesmen are to be paid, an account is kept of the amounts paid to each salesman as shown in the **Cash Book** of the **Model Set** by the account of **C. N. Wilson**. The **Ledger** account of **C. N. Wilson, Salesman**, is charged with the total at the end of the time period. It is credited and **Four-Weeks' Loss and Gain** debited through the **Journal** with these expenses and one-thirteenth of the annual salary. When the salary is paid, it is charged to this account.

**27.** When goods are shipped to be sold on commission they should be charged at cost price to **Consignment** account. The explanation column in the **Ledger** account should show the quantity in each shipment, and if the cost price is known the value should be extended into the money column. If the goods have been made in the period during which they were sold, then only their quantity can be charged to this account through the **Sales Book** until the end of the period, when the cost can be found and a **Journal** entry made crediting **Goods** and debiting **Consignment** for the total amount so shipped during the period. The account is credited with the net receipts for goods, the commission



merchant sending with each remittance a statement showing the quantity sold. If any remain unsold in the hands of the commission merchant at the end of the time period, the inventory is entered at cost. The difference in the account will be the gain, which should be carried to the Four-Weeks' Loss and Gain account.

**28.** At the end of each period the **Four-Weeks' Loss and Gain** account is debited or credited through the Journal with the loss or gain as shown by the Goods, Consignment, Goods in Process, Waste, Rent, Cash Discount, Interest, Bad Debts, Salesman's accounts, etc. The account is closed to the Loss and Gain account.

**29.** The **Loss and Gain** account is debited or credited at the end of each time period with the balance of the Four-Weeks' Loss and Gain account. The balance shows the net gain or loss for the several periods between the declaring of dividends. This account is debited with each dividend as declared, and the remainder at each dividend period is carried to the Undivided Profits account and held for future use.

**30.** The **Dividend** account is credited through the Journal with the amount of the profits set apart to be divided among the stockholders, and debited through the Cash Book when the amount is paid out.

**31.** The **Undivided Profits** account is sometimes called Reserve account, and, frequently, Surplus account. In it is kept a record of the gain made but not used in dividends. These undivided profits are not usually carried in cash, but form a part of the resources of the business. They may be kept in the business indefinitely or may be divided through cash or stock dividends. A part of them is often used to make up a dividend of the usual percentage when the profits of a period or periods between dividends have not in themselves been sufficient to pay such a dividend.

**CASH BOOK**

**32.** The **Cash Book** as here used is the most important book in the series and reduces the bookkeeping work to a minimum. The debit side of the Cash Book is provided with a Sundries column for all accounts requiring separate posting, the individual items going to the credit side of the accounts in the Ledger. It also has columns for Cash Discount, Cash Sales, Interest, Cash Balance, and Bank Deposit. The totals of the Sundries, Cash Sales, and Interest columns, less the Cash Discount, show the amount of cash received. When a page is filled, all the columns are footed and the footings carried forward until the end of the time period.

The credit side of the Cash Book has a column for cash payments, another for check payments, special columns that agree with all the main accounts in the Ledger, a Sundries column for accounts that require separate posting, and several blank columns for special accounts.

The cash and check payments are first entered in their respective columns and then extended and distributed to the special columns. If, when paying employees, rent for tenement property is withheld, the amount should not be deducted from the pay-roll check, but two checks should be drawn, one for the amount of the rent and the other for the balance of the pay roll; both checks should be charged to Labor account. The check for the rent withheld should then be entered on the debit side of the Cash Book as a cash receipt to the credit of rent, and deposited.

Freight on raw material, supplies, new building, etc. should be included in their cost, and such items should be extended into the proper columns. If, when settling bills, customers are allowed to deduct the cost of freight, such deductions should be considered as cash discounts and handled through that account. Outward freight payments should be extended into the column headed Int. Com. Outw'd Frt.

The cash balance is found at any time by adding together the former cash balance, the receipts as shown by the Sundries, Cash Sales, and Interest columns, and deducting the

sum of the Cash Discount, Cash Payments, and Amount of Check columns. The bank balance is found by deducting the sum of the checks drawn from the total of the Bank Deposit column. The balance of currency on hand and the bank balance may be entered in red ink in the Cash Payments and Amount of Check columns as often as desired.

The Cash Book is not balanced and ruled until the end of the time period, when the totals of the special columns are posted to the Ledger accounts that they represent.

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#### SALES BOOK

**33.** No special form of ruling is necessary for the **Sales Book**. Any bound book, loose leaf, press copy, carbon copy, or sales-order sheet may be used. As it is necessary to know the quantity of goods sold that have been made during the current period, some method must be adopted that will show this, as, for instance, using one money column for such sales and another for all other sales. The quantities sold for cash may be entered in memoranda form in the Sales Book or in the Cash Book as an explanation to the entry. The total of the sales is credited to Goods account.

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#### TWO OR MORE LINES OF GOODS

**34.** The general books and accounts of a company producing two or more lines or grades of goods, as in a woolen or cotton mill, or several separate jobs, as in a printing office, may be kept the same as when but one line is made, but additional records must be kept to show the cost of each line or job. These records comprise material-and-supplies records, work orders, material-and-supplies requisitions, time tickets, and an assembling card on which the records of material, supplies, and labor for each job are collected. The material, supplies, and labor are the direct charges of manufacturing, and with a proper system of records their cost can be easily and accurately ascertained.

## WORK ORDER

January 4, 190

Name Warren Furniture Co. Job No. 111  
 Address 12 Winter St. City No. Copies 3000  
 Title Booklet - New Styles  
 Job wanted January 13

### COMPOSING ROOM

Pages 12 Leaves 6 Insert \_\_\_\_\_ Cover Yes  
 Page reads \_\_\_\_\_  
 Size of leaf 6 1/4 x 9 1/2 ~~Trimmed~~  
Untrimmed  
 Size of sheet 25 x 38  
 No. of forms 1 Electros \_\_\_\_\_  
 Job delivered to Press Room Jan 7

### PRESS ROOM

Color of Ink Black

### STOCK

Size	Weight	Name	Reams	Quires
25X38	70#	Super White	6	2
22X28	70#	Royal Melton	1	4 1/2

Req. No. 75 Signed by Robert Buchanan  
 Job delivered to bindery Jan 9 Job finished \_\_\_\_\_

### BINDERY

Numbering \_\_\_\_\_  
 Binding Saddle wire stitched  
 Ruling \_\_\_\_\_ Tablets \_\_\_\_\_  
 Folding Yes Corners \_\_\_\_\_  
 Stitching \_\_\_\_\_ Perforating \_\_\_\_\_  
 Remarks \_\_\_\_\_  
 Job finished Jan 12

The indirect charges against a line of goods or job of work are the proper proportion of the total expense for miscellaneous work, supplies, fuel, insurance, taxes, general expense, salaries, and impairment and betterment. A good method of determining the proper proportion is explained in Art. 41.

#### NUMBERS INDICATING CONDITION OF WORK

1. Received
2. On Case
3. Proof, first reading
4. Correcting
5. Revising by Proof Readers
6. Proof, second
7. Alterations
8. Making up into pages
9. Revision and last reading
10. Proof, third
11. Ready for Electrotyping
12. Sent to Foundry
13. Returned from Foundry
14. Ready for Imposition
15. Revising by Proof Readers
16. Ready for Press
17. On Press
18. In Bindery
19. Waiting
20. Delivered

FIG. 3

As a basis of illustration of the use of the blanks just mentioned, the business of a printing office is taken, though the principles of the method are adapted to any business.

**35.** When an order has been received for a job, a description and the directions for that order should be entered on a **duplicate work order**, one copy of which is

kept in the office and the other sent to the foreman of the room where the first work is to be done on the job. It goes with the job from room to room and is returned to the office after the goods are delivered. In order to facilitate the accounting work, each job should be given a number and all charges or references to that job should be made through that number, which is used on the time tickets, material-and-supplies requisitions, and on the separate assembling card for each job. A convenient form of order sheet is shown in Fig. 2.

Date <u>Jan 5</u> 190 <u>  </u>				
101 <u>20</u>	111 <u>2</u>	121 <u>  </u>	131 <u>  </u>	141 <u>  </u>
102 <u>16</u>	112 <u>  </u>	122 <u>  </u>	132 <u>  </u>	142 <u>  </u>
103 <u>14</u>	113 <u>  </u>	123 <u>  </u>	133 <u>  </u>	143 <u>  </u>
104 <u>  </u>	114 <u>  </u>	124 <u>  </u>	134 <u>  </u>	144 <u>  </u>
105 <u>  </u>	115 <u>  </u>	125 <u>  </u>	135 <u>  </u>	145 <u>  </u>
106 <u>  </u>	116 <u>  </u>	126 <u>  </u>	136 <u>  </u>	146 <u>  </u>
107 <u>  </u>	117 <u>  </u>	127 <u>  </u>	137 <u>  </u>	147 <u>  </u>
108 <u>  </u>	118 <u>  </u>	128 <u>  </u>	138 <u>  </u>	148 <u>  </u>
109 <u>  </u>	119 <u>  </u>	129 <u>  </u>	139 <u>  </u>	149 <u>  </u>
110 <u>  </u>	120 <u>  </u>	130 <u>  </u>	140 <u>  </u>	150 <u>  </u>

FIG. 4

36. That the progress of each job through the different departments may be known at a glance, a method sometimes adopted is to give each step of the work a number, as shown in Fig. 3.

Sheets like Fig. 4 are printed with job numbers and a space for memoranda beside each number.

A card like Fig. 5 is given to each job and placed in a file according to its consecutive number.

Every morning a clerk goes through the departments with the sheet of Fig. 4 and notes the condition of each job, entering beside each job number the figure of the list in Fig. 3



is shown in Fig. 6. If cards are used for these records, two files may be kept, one for material and one for supplies. Thus divided and indexed alphabetically as shown, any desired card can be quickly found. The cards for material may be of a different color than those used for supplies. This will be found of great advantage if but one file is used. The amount on hand, as shown by the records, should be verified occasionally by taking a complete inventory.

[illegible]

**FIG. 6**

**38. A good form for a material requisition is shown in Fig. 7. The same general form may be used for a supplies requisition, but each should have a distinctive heading. If desired, they may be on a paper of different colors. The requisition for each class should be numbered consecutively as received by the person filling them. When the material or supplies called for by a requisition has been delivered and a record of it made on the proper material or supplies**



record card, the requisitions are turned over to a clerk, who makes the extensions of value at cost plus freight, enters them on the job assembling card, as shown in Fig. 10, and files the requisitions according to their

*Consecutive Number of Requisition as Received by*

*Material and Stock Clerk* 75

*Foreman's O. K.* J. L. H.

### MATERIAL REQUISITION

*Work Order No.* 111

(Enter no stock on this blank except that going into the above work-order number. The quantity only is desired. File this blank with the record clerk at the close of the day.)

Quantity	Grade	Amount	
1 R. 4 1/2	Royal Mutton, 25 X 38-70#	8	50
6 R. 22	Super White, 22 X 28-70#	21	70
		30	20

*Received by* Robert Buchanan *Date* Jan. 8, 190  
*Entered on Material and Supplies Record by* Jno. Barnes

FIG. 7

numbers. Any material or supplies that cannot be charged to any particular job but are drawn for general use, such as paper, paste, oils, and inks, should be entered in the material column of the miscellaneous-work assembling card for the period.

**39.** Each employe whose labor applies directly to the various jobs should be given a number, which is used instead of the name in compiling assembling cards, etc. All such workmen should make a daily report of the time worked on each job. Such reports are best made by the use of time tickets, as shown in Fig. 8. The only writing necessary on these tickets is to record the work order number, a word or two indicating what was done, and make a mark as shown in the illustration above the number 111. This mark shows when work on the order number above it stopped.

Miscellaneous work not chargeable to any particular job should be recorded. At the end of the day these time tickets should be turned in to the office and entered the next day on the pay roll and on the assembling card, one of which is kept for each job and one for miscellaneous work done during the period.

The unit of time is 6 minutes, one-tenth of an hour, which is small enough for all practical purposes. The ratio between the unit rate and the hour rate is not broken; therefore, by multiplying the total units by the hour rate and moving the decimal point one additional place to the left, the same result is obtained as if multiplying by hours and minutes. This process eliminates all fractions, a most desirable thing. All of the common time-table calculations are applicable to this unit of time.

The column of numbers at the left of the ticket represents the time units. The total number of units for each number on which work is done is ascertained by simple subtraction. These tickets should be delivered to the record clerk daily and the time units entered to the respective workmen's numbers on the assembling card and on the pay roll. The amount of such pay roll is charged to labor account.

The general superintendent, foremen, engineers, etc., whose duties are an indirect charge against the whole work done, need not have numbers. Their pay may be included in the salaries account together with that of the officers and office help, or may be handled through a superintendence account.

# TIME TICKET—COMPOSING ROOM

(PRESENT THIS TICKET TO THE FOREMAN AT THE CLOSE OF THE DAY)

Date Jan. 4, 1902. Rate 2.50 Workman's No. 1  
 Name James Lamb. Foreman's O. K. W. J. F.

		Work Order No.			Work Order No.
	7 00	<i>98 Makeup</i>			
1	7 06				
2	7 12			12 06	
3	7 18			12 12	
4	7 24			12 18	
5	7 30			12 24	
6	7 36			12 30	
7	7 42			12 36	
8	7 48			12 42	
9	7 54			12 48	
10	8 00			12 54	
11	8 06			1 00	
12	8 12				
13	8 18		51	1 06	
14	8 24		52	1 12	
15	8 30		53	1 18	
16	8 36		54	1 24	
17	8 42		55	1 30	
18	8 48		56	1 36	
19	8 54		57	1 42	
20	9 00		58	1 48	
21	9 06		59	1 54	
22	9 12		60	2 00	
23	9 18		61	2 06	
24	9 24		62	2 12	
25	9 30		63	2 18	
26	9 36		64	2 24	
27	9 42	<i>Misc.</i>	65	2 30	<i>111 Composition</i>
28	9 48		66	2 36	
29	9 54		67	2 42	
30	10 00		68	2 48	
31	10 06		69	2 54	
32	10 12		70	3 00	
33	10 18		71	3 06	
34	10 24		72	3 12	
35	10 30		73	3 18	
36	10 36		74	3 24	
37	10 42		75	3 30	
38	10 48		76	3 36	
39	10 54		77	3 42	
40	11 00		78	3 48	
41	11 06		79	3 54	
42	11 12		80	4 00	
43	11 18		81	4 06	
44	11 24		82	4 12	
45	11 30		83	4 18	
46	11 36		84	4 24	
47	11 42		85	4 30	
48	11 48		86	4 36	
49	11 54		87	4 42	
50	12 00		88	4 48	
			89	4 54	
			90	5 00	
Overtime:					

FIG. 8

For week ending Jan. 9, 190—

**FIG. 9**



**Order :**

Total 69.88

Title Booklet-New  
For Warren Furniture Add.  
To be delivered Jan. 26,  
Remarks. \_\_\_\_\_

30	20
----	----

23.29 Per M.

[illegible]

FIG. 10





40. Fig. 9 shows a good form of **time book and pay roll**. The names and numbers are written in at the beginning of the week and the time worked entered daily. The use of the different columns is easily understood from their headings.

41. Each job is given an **assembling card** on which is brought together daily the direct-expense items belonging to the job. Fig. 10 shows such a card. When a work order is sent into the factory an assembling card is opened for the job and filed with the other assembling cards, according to the number of the job. As the time tickets come in the data affecting each job are entered on its assembling card, the date, work man's number, and the time worked on the job being entered in their special columns and the cost of the work entered in the column corresponding to the kind of work done. The material and supplies used in the job are entered on the assembling card from the filled material or supplies requisitions. When the job is completed the cost for material, supplies, and labor is found and entered in the summary section, at the upper left-hand corner. At the end of the period when the average per cent. of indirect charges to date has been found, the amount for these charges is entered in the summary on the assembling cards for completed jobs and those cards taken out of the file for jobs in process and placed in the file for completed jobs. If desired, the proportion of indirect charges according to the last average per cent. can be entered in the summary as soon as all the direct charges have been found. This will make it possible to remove the assembling cards for completed jobs from the active file as soon as the work is done; when the per cent. of indirect charges does not vary much, no serious objection can be made to this plan.

A factory making two or three lines continuously could have an assembling card for each 2-weeks' or 4-weeks' period. If desired, such a factory could keep Ledger accounts with each line instead of using assembling cards.

The direct charges, as has been said, are the material and the supplies used directly in a job, and the labor, as shown

by the workmen's time tickets, directly performed on that job. The indirect charges must include every other kind of expense connected with the business. This covers the cost of supplies like ink, paper, oils, paste, etc. that cannot well be charged to any particular job; also, the cost for miscellaneous work done by workmen and charged as such on their time tickets. The cost of both will be shown separately on the miscellaneous-work assembling card for the period. The expenses for the period for fuel, insurance, taxes, general expense, salaries, and impairment and betterment, as shown by the Ledger accounts, must also be spread over the finished product on some equitable basis, and no truer one can be suggested than the proportion of the direct charges. To illustrate: Suppose that the cost for raw material on job 20 was \$50, on job 21 was \$40, and on job 22 was \$35; that the cost for supplies for No. 20 was \$6, for No. 21 was \$1.50, and for No. 22 was \$1; and that the cost for labor for No. 20 was \$70, for No. 21 was \$50, and for No. 22 was \$24.50. The summary on each assembling card would show as follows:

	No. 20	No. 21	No. 22
Material . . . . .	50.00	40.00	35.00
Supplies . . . . .	6.00	1.50	1.00
Labor . . . . .	70.00	50.00	24.50
	<u>126.00</u>	<u>91.50</u>	<u>60.50</u>

Suppose that the miscellaneous assembling card for the period showed the cost of labor to be \$12, and for supplies \$9; also that the Ledger accounts for fuel, insurance, taxes, general expense, salaries, and impairment and betterment show the Manufacturing account must be charged \$90.

To find the amount to be charged to each job for indirect charges, multiply the amount of the direct charges for each job by the total amount of the indirect charges and divide their product by the total amount of the direct charges for all the jobs, as follows:

$$\begin{aligned}
 126.00 \times 111 \div 278 &= 50.31 \\
 91.50 \times 111 \div 278 &= 36.53 \\
 60.50 \times 111 \div 278 &= 24.16
 \end{aligned}$$

Or, taking the direct charge for each job as the numerator and the total direct charges for all of the jobs as the denominator of a fraction, and multiplying this by the total indirect charges, we have:

$$111 \times \frac{126}{278} = 50.31$$

$$111 \times \frac{91.50}{278} = 36.53$$

$$111 \times \frac{60.50}{278} = 24.16$$

In the preceding illustration the direct charges were \$278 and the indirect charges \$111, a total of \$389, which gives 71.5 per cent. of the direct charges and 28.5 per cent. indirect. If the above figures show the cost of the operation of the printing office under normal conditions, they give the average ratio between direct and indirect charges. When this ratio is definitely established by comparing a number of periods, the cost of each job, not only for direct charges but for its proper share of indirect charges, can not only be easily found, on completion of the work, but a fairly accurate estimate of the cost can be made in advance.

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### MODEL SET

**42. Manufacturing Cost.**—In this Model Set will be illustrated the manner of ascertaining the cost of production, the use of a perpetual inventory, and the making of a Four-Weeks' Loss and Gain statement. In order to make the method clear, the following transactions for a manufacturing business producing one line of goods are given, and from these the books will be worked out according to the method explained in the preceding pages.

The books kept will be a Cash Book, Journal, and Ledger. A Sales Book will not be used, as its use is generally understood, and the object here is to illustrate the method of handling the special form of Cash Book and the Ledger accounts to show the loss and gain for a four-weeks' period.

## TRANSACTIONS

## SCRANTON, PA., DECEMBER 31, 190

The Enterprise Manufacturing Company has decided to use new forms of books after January 1, and the closing of the books for the year just ended is to be performed on the new Ledger. On the evening of December 31, 190 , the company had debits and credits on their Ledger as shown by the following trial balance:

## TRIAL BALANCE, DECEMBER 31, 190

Cash, bank 14,350.10,	
drawer 60.00,	14410.10
2 Bills Receivable,	2517.25
34 J. H. King,	1441.55
35 Small & Eustice,	1214.65
36 J. J. Jenkins,	1658.44
37 Reynolds & Co.,	1321.27
38 Wrenn & Co.,	1253.34
39 Rogers & Pugh,	1335.45
4 Plant,	99800.00
Mill Site,	2200.00
Buildings,	23000.00
Machinery,	63000.00
Power Plant,	10000.00
Tools and Fixtures,	500.00
Office Furniture,	800.00
Horses and Wagons,	300.00
13 Raw Material,	46116.00
14 Supplies,	12737.10
16 Fuel,	8620.75
24 Goods in Process,	3750.00
20 Bad Debts,	310.15
7 Insurance,	2700.00
6 Taxes,	920.00
23 General Expense,	1715.50
15 Labor,	22785.10
22 Salaries,	6000.00
17 Interest,	32.14
18 Cash Discount,	560.25
19 Goods Returned and Rebate,	65.50
8 Tenant Property,	10000.00

27	Goods,	36055.50
28	Consignment,	68118.15
29	Waste,	2312.40
5	Impairment and Betterment,	30157.60
40	R. M. Wilson,	410.00
41	J. C. Lincoln,	300.00
42	New York Machinery Co.,	615.00
3	Bills Payable,	710.00
33	Undivided Profits,	1805.89
1	Capital Stock,	10000.00
11	Rent,	780.00
		<hr/>
		241264.54    241264.54

Make the Journal entry necessary to open the new books, transfer the cash balance and bank balance to the proper columns in the Cash Book, and post the items to the Ledger.

The following inventories were on hand:

*. Liabilities*

Taxes, accrued but not paid or entered,	306.67
---	--------

*Resources*

Insurance, unexpired,	900.00
Raw Material,	9675.00
Supplies,	3600.00
Fuel, estimated,	750.00
Goods in Process, estimated,	3750.00
Goods, 7500 lb.,	1350.00
Consignment, 4527 lb.,	815.00
Waste, estimated,	720.00

Enter these inventories in the Ledger in red ink, resources on the credit side and liabilities on the debit side of the accounts to which they belong.

From the Ledger accounts as they now stand, make the necessary Journal entries to construct the Manufacturing account (see Art. 4), and to transfer to it the balances of Goods, Consignment, and Waste accounts and to transfer to Loss and Gain the gross gain as then shown by this account; also, to transfer the loss or gain on Rent, Cash Discount, Bad Debts, and Interest to the Loss and Gain account.

Post the entries to the Ledger.

The board of directors have declared a dividend of 12 per cent.; the balance of the gain goes to Undivided Profits.

Make the Journal entries to close the Loss and Gain account and transfer the amount of dividend to Dividend account and the balance of the gain to Undivided Profits account. Post to the Ledger.

Rule all the accounts that balance and bring down the inventories below the line in black ink under the date of January 1. Carry the balance in each account to the balance column, using black ink if debit, red ink if credit.

#### JANUARY 1, 190

To make allowance for any overvaluation in the Goods inventory, a reduction of 10 per cent. is to be made before beginning business for the period (see Art. 20).

Make an entry to debit Loss and Gain and credit Goods \$135.

Post to the Ledger.

The following amounts were received:

J. H. King, on account,	321.05
Small & Eustice, on account,	110.65
Reynolds & Co., on account,	95.27
J. J. Jenkins, on account,	1314.20
Rogers & Pugh, on account,	714.15
Cash sales, 363 lb. old,	67.50
Bills Receivable,	350.00

Deposit day's receipts in bank and enter amount in Bank Deposit column (see Art. 32). Post items in Sundries column to Ledger.

— 4 —

Sent today on consignment to Mitchell & Co., 2021 lb. new.  
Post to Ledger.

Paid Union Paint Works, supplies, three  
bills, \$9.50, \$21.10, and \$50, there being a  
discount of 5% on the latter (see Art. 5), 78.10

Enter on credit side of Cash Book.

## — 7 —

Sent today on consignment to Mitchell & Co., 3712 lb. new.

Post to Ledger.

Paid the following amounts:

Council Bros., raw material,	120.00
W. E. Coffin, agent, freight on coal,	67.50

Enter on credit side of Cash Book.

## — 8 —

The following amounts were received:

Reynolds & Co., for bills of \$915.10, less 5% discount,	869.34
Wrenn & Co., for bill of \$221, less 5% discount,	209.95
Rogers & Pugh, for bill of \$300, less 5% discount,	285.00
Cash sales, 1163 lb. old,	215.95
Bills Receivable,	175.00
Bills Receivable, note of \$317.10, with interest for 30 days \$1.59,	318.69
Consignment,	1310.25

Enter in Cash Book, deposit day's receipts, and enter amount in Bank Deposit column. Post items in Sundries column to Ledger.

Made the following payments:

Stancil Bros., raw material,	410.00
Robbins & Ranson, raw material \$209, supplies \$75.09,	284.09
Cash for telegram,	.25
Cash for expressage on electros,	.45
Cash for cleaning out well,	1.25
Cash for repairing pump,	.75
W. E. Coffin, agent, freight on raw material,	72.50
Ford, Tally & Co., raw material,	975.00
Cash for freight bills, raw material, \$27.07, supplies \$2.10,	29.17
R. M. Wilson,	410.00
Creek Coal Co., coal,	202.50
Pay roll, labor (withheld \$50 rent due),	462.15

Enter in Cash Book (see Art. 32 in regard to pay roll).

Determine the cash balance, bank balance, and cash in drawer. Enter the balances in red ink in the proper columns.

Post items in Sundries column to Ledger.

The Sales Book shows the following sales, the goods sold being 3917 lb. old and 8008 lb. new:

Small & Eustice,	221.40
J. J. Jenkins,	620.10
Reynolds & Co.,	710.07
Wrenn & Co.,	316.70
Rogers & Pugh,	427.18
Total,	<u>2295.45</u>

Post these amounts to the accounts of the parties and credit Goods account with the total amount.

— 10 —

Sent today on consignment to Mitchell & Co., 4211 lb. new.

Post to Ledger.

— 14 —

Sent today on consignment to Mitchell & Co., 3817 lb. new.

Post to Ledger.

— 15 —

Received the following amounts:

Wrenn & Co., on account, \$27.50 and freight bill for \$2.14, the agreement being that the goods were to be delivered,	29.64
--	-------

The bank has collected drafts for which they have credited our account as follows:

Wrenn & Co., \$257.35, collection charge .25,	257.10
Reynolds & Co., \$308.90 and interest \$1.54,	310.44
Bills Receivable, \$760, interest \$3.80, collection charge .50,	763.30
Cash sales, 498 lb. new,	92.50
Waste, sold,	30.00
Rent,	10.00

Enter in the Cash Book. Post the items in the Sundries column in the Ledger.

Sold 10-acre tract from mill site,	950.00
------------------------------------	--------

Received \$750 in Bills Receivable and \$200 in cash.

Journal and Cash Book entries. Post to the Ledger.



**J. J. Jenkins, for bill of \$344.24, less 5%**

discount,	327.03
-----------	--------

Consignment,	1750.15
--------------	---------

**Enter in the Cash Book.**

**Made the following payments:**

Dividend, 12000.00

Ellis & Co., raw material,	207.60
----------------------------	--------

Gorman & Co., supplies.	37.32
-------------------------	-------

Springer & Dail, raw material,	600.00
--------------------------------	--------

Creek Coal Co., fuel,	350.00
-----------------------	--------

New York Machinery Co., repairs,	62.50
----------------------------------	-------

Cash on outward freight,	2.10
--------------------------	------

Cash, freight on oils, fuel account,	1.70
--------------------------------------	------

**Enter in the Cash Book.**

Received from the New York Machinery

Co., ten new machines,	14000.00
------------------------	----------

**Paid New York Machinery Co. \$2000 in cash  
and gave 12-months' note for \$12000.**

Discarded eight old machines carried in the Plant account at \$700 each,	5600.00
--	---------

Journal and Cash Book entries. Post Journal entries to the Ledger.

**Made the following payments:**

Pay roll, \$533.10 labor and \$207.10 work on new warehouse (withheld \$50 for rent), (see Art. 32),	740.20
--	--------

Cash, freight on account of new building,	15.25
---	-------

Southern Lumber Co., lumber for new building.	315.00
---	--------

W. E. Coffin, freight on lime for new building,	44.50
---	-------

Tiling Co., brick for new building,	450.00
-------------------------------------	--------

Lime Kiln Co., lime for new building,	110.00
---------------------------------------	--------

<b>Taxes,</b>	<b>270.00</b>
---------------	---------------

Renewal five insurance policies,	170.00
----------------------------------	--------

Enter in the Cash Book, opening one of the blank columns on the credit side for an account with New Building.

Post the items in the Sundries columns to the Ledger.

Deposit all receipts except \$50.92, which brings the amount in the cash drawer back to \$60, and enter in the Bank Deposit column, the collected drafts separately.

Determine the bank balance and enter this and the cash balance in the proper columns.

— 17 —

Sent today on consignment to Mitchell & Co., 3622 lb. new.  
Post to Ledger.

— 20 —

Sent today on consignment to Mitchell & Co., 4048 lb. new.  
Post to Ledger.

— 22 —

The following amounts were received:

Cash sales, 928 lb. new,	172.50
Wrenn & Co., on account,	325.00
Small & Eustice, \$384, less discount of \$2,	382.00

The bank has credited our account with the following collections:

J. H. King, \$1120.50, charges .50,	1120.00
Rogers & Pugh, \$321.30, charges .15,	321.15
Wrenn & Co., \$420.30, charges .10,	420.20
Consignment,	1134.40

Enter in the Cash Book.

Made the following payments:

"Morning Star," advertising directors' meeting,	5.00
W. E. Coffin, 1000-mile book for C. N. Wilson,	25.00
C. N. Wilson, cash for expenses,	25.00
J. W. Scott & Co., trunk and valise for C. N. Wilson,	15.00
Sent check to C. N. Wilson,	50.00
Pay roll, labor \$520.40, new building \$419.70 (withheld \$50 for rent),	940.10

Enter in the Cash Book. Open one of the columns on the credit side for an account with C. N. Wilson.

Post items in the Sundries columns to the Ledger.

Deposit receipts and enter in Bank Deposit column, collected drafts separately.

Determine the cash balance, bank balance, and money in drawer.

— 28 —

Discounted four notes as follows:

Bills Receivable \$150, discount for 30 days .75,	149.25
Bills Receivable \$215, discount for 60 days \$2.15,	212.85
Bills Receivable \$320, discount for 90 days \$4.80,	315.20
Bills Receivable \$630, discount for 90 days \$9.45,	620.55

Enter separately the face of the notes in the Sundries column, the discounts in the Discount column, and the proceeds in the Bank Deposit column.

Received the following amounts:

Raw material sold,	210.00
Impairment and Betterment, sold discarded machinery,	310.00
Consignment,	960.00

Paid the following amounts:

Telephone Exchange, bill to date,	3.00
Bills Payable, sundries,	310.35
Check to C. N. Wilson, salary to date,	50.00
Pay roll, labor (\$50 withheld for rent),	565.00
J. W. Justice, salary to 28th,	50.00
J. N. Thomas, salary to 28th,	60.00
V. R. Carr, salary to 28th,	75.00
E. R. Curtis, salary to 28th,	100.00
B. B. Brown, bookkeeper, salary to 28th,	75.00
S. F. Finley, salary to 28th,	60.00
C. C. Goodman, salary to 28th,	70.00
Outward freight, cash,	8.23

Our account has been charged by the bank with a sight draft of Merrill & Co., for raw material,

515.75

Enter in the Cash Book.

Deposit the day's receipts and cash drawer balance.

Post the items in the Sundries column.

Foot, balance, and rule the Cash Book.

Post the totals of all the special columns to the proper accounts. Cash Sales column posts to Goods account, Incidentals to General Expense, Repairing to Impairment and Betterment, Int. Com. Outw'd Frt. to Interest.

Open an account with New Building in space 12.

Open an account with C. N. Wilson in space 21.

Take a Trial Balance. \_\_\_\_\_

#### INVENTORIES

The following are found by estimating the value of the items on hand:

Waste,	1010.00
Fuel,	670.00
Goods in Process,	3695.00

The following are determined from the Ledger accounts and records of quantities used and sold:

Raw Material:

Inventory Jan. 1,	9675.00	
Purchases,	<u>3136.92</u>	
		12811.92
Cash sales,	210.00	
Used,	<u>7434.00</u>	
		<u>7644.00</u>
		5167.92

Supplies:

Inventory Jan. 1,	3600.00	
Purchases,	<u>192.61</u>	
		3792.61
Used,		<u>420.00</u>
		3372.61

Old goods:

Inventory Jan. 1,	7500 lb.
Sales on account,	3917 lb.
Cash sales,	<u>1526 lb.</u>
	5443 lb.
On hand Jan. 28,	2057 lb. @ 16.2c., 333.23

The value of the old goods is figured at the inventory price of Dec. 31, less the 10% deduction to adjust the probable overvaluation; that is,  $\$1350 - \$135 = \$1215$ ;  $\$1215 \div 7500 = 16.2c$ .

**New goods:**

Produced during period,	74629 lb.
Sales on account,	8008 lb.
Cash sales,	1426 lb.
Consigned,	<u>21431 lb.</u>
	30865 lb.
On hand Jan. 28,	<u>43764 lb.</u>

The value of the new goods is figured at the cost to manufacture during the period.

**Consignment:**

Inventory Jan. 1,	4527 lb.
Consigned, new goods,	<u>21431 lb.</u>
	25958 lb.
Sold, old goods,	4527 lb.
Sold, new goods,	<u>20214 lb.</u>
	24741 lb.
On hand Jan. 28,	<u>1217 lb.</u>

The value of the Consignment inventory, being all new goods, is to be figured at the manufacturing cost for the period.

From the records of the quantities of raw material and supplies used, the Trial Balance, the inventories of Waste, Fuel, Goods in Process, Raw Material, and Supplies, the pro rata for the period (one-thirteenth) of the estimated cost for the year of Insurance (\$2704) and Taxes (\$923), and the allowance for the period for Impairment and Betterment, one-thirteenth of that for the year (see Art. 13), make the Journal entry to show the total manufacturing cost for the period.

## Depreciation on plant for the year:

Mill site,	2200— 0%	
Buildings,	23000— 3%	690.00
Machinery,	71400—10%	7140.00
Power Plant,	10000— 7%	700.00
Tools and Fixtures,	500—15%	75.00
Office Furniture,	800—10%	80.00
Horses and Wagons,	300—25%	75.00
		<hr/> 8760.00

$$\$8760 \div 13 = \$673.84.$$

The total cost for the period divided by the number of pounds produced, 74629, gives the cost price per pound to manufacture. The cost per pound now being known, find the value of the inventories of new Goods and Consignment.

New goods on hand Jan. 28, 43764 lb. @ 16.2 c., \$7089.77, to which must be added the value of the old goods on hand, \$333.23, as found above, making the total value of the Goods inventory \$7423.

Consignment, on hand, 1217 lb. @ 16.2c., \$197.15.

Enter the inventories of Waste, Fuel, Goods in Process, Raw Material, and Supplies in the Ledger in red ink on the credit side of the accounts to which they belong.

Post the Journal entry of Manufacturing cost to the Ledger.

Make a Journal entry to transfer the total cost of the Goods made during the period to Goods account and post it to the Ledger.

Make a Journal entry debiting Consignment and crediting Goods account with the value of the goods shipped during the period and post it to the Ledger.

Enter the inventories of Goods and Consignment in the Ledger in red ink on the credit side of those accounts.

Make Journal entries to charge Rent with one-thirteenth of the estimated cost of taxes and insurance for the year (\$260) and one-thirteenth of the amount allowed for the year for depreciation (5%) on Tenant Property. Post to the Ledger.

Make entries to assemble in the Four-Weeks' Loss and Gain account the loss or gain for the period on Rent, Goods, Consignment, Waste, Cash Discount, Interest, Goods in Process, Bad Debts, and Salesman's accounts. Salesman is credited for his expense bills, \$165, and for one-thirteenth of his yearly salary of \$900.

Post these entries to the Ledger and then make an entry to transfer the net gain for the period as then shown by the Four-Weeks' Loss and Gain account and post it.

Rule the accounts and bring the inventories below the line in black ink. Carry the balance in each account to the balance column, using black ink if debit, red ink if credit.





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December 31, 190.

The following entries are for the purpose of showing, on the proper ledger accounts, the cost of manufacture, the gross and net profits, and for closing the books for the business year ending today.			
25	Manufacturing	94896.12	
5	Impairment & Retirement		7920 —
6	Sold.		1226.67
7	Insurance.		1800 —
13	Raw Materials		3644.1 —
14	Supplies.		9137.10
15	Labor.		22785.10
16	Fuel.		7870.75
22	Salaries.		6000 —
23	General Expenses.		1715.50
	Total cost.		
27	Goods.	37405.50	
28	Manufacturing	68933.15	
29	Waste.	3032.40	
25	Manufacturing.		109371.05
	Total sales.		
25	Manufacturing.	144749.3	
30	Loss & Gain.		14474.93
	Gross gain.		
11	Rent.	780 —	
30	Loss & Gain.		780 —
	Gains for year.		
30	Loss & Gain.	902.54	
15	Cash Discount.		5602.5
20	Bad Debts.		310.15
17	Interest.		32.14
	Losses for year.		
30	Loss & Gain.	14352.39	
32	Dividend.		12000 —
33	Undivided Profits.		2352.39
	To close & Year.		

January 1, 190.

30	Loss & Gain		135-	
27	Goods			135-
		Probable amount that inventory should be reduced to show cost value		
15				
2	Bills Receivable		750-	
4	Plant			750-
		Sold to account from mill site 1950 cash \$200		
15				
4	Plant Machinery		14000-	
42	New York Machinery Co.			14000-
		10 new machines		
15				
42	New York Machinery Co.		12000-	
3	Bills Payable			12000-
		12 mas. notes		
15				
5	Impairment & Retirement		5600-	
4	Plant Machinery			5600-
		Scrapped machines		
25				
25	Manufacturing		12089.89	
13	Raw Material			7463.46-
14	Supplies			420-
5	Labor			2080.65
16	Fuel			701.70
7	Insurance			208-
6	Taxes			71-
23	General Expense			1070
22	Salaries			490-
5	Impairment & Retirement			673.86
		Entries necessary to make up man- ufacturing cost for four week period 7463.46 cost 1/2 report		

4

January 25, 190.

27	Goods	12089.89							
25	Manufacturing								
	Cost for period								12089.89
25	Consignments	34571.82							
27	Goods								34571.82
	21431 lb. at 16.2¢								
11	Rent	2.00							
10	Tenant Prop. Taxes & Ins.								2.00
	Estimated cost								
11	Rent	38.46							
9	Tenant Prop. Imp. & Betterment								38.46
	W. of 5% depreciation								
11	Rent	151.50							
27	Goods	4653.83							
25	Consignments	1065.13							
29	Waste	32.00							
31	Four Week's Loss & Gain								1970.50
	Gain on above								
31	Four Week's Loss & Gain	4652.34							
18	Cash Discount								111.81
17	Interest								3.40
24	Goods in Process								55.00
20	Bad Debts								45.90
	2% of direct sales								
21	C. N. Wilson, Salesman								234.23
	Expenses, 165								
	Salaries, 69.00								
	Losses for period								
31	Four Week's Loss & Gain	1520.16							
30	Loss & Gain								1520.16
	Gain for period								

## CASH BOOK

2

CASH RECEIPTS  
AND  
BANK JOURNAL

DATE 1922	NAME	L F	BUNDLES	Cash Receipts Per No. 10	CASH SALES	INTEREST	CASH BALANCE	BANK DEPOSIT
Dec. 31	Balanced.	1					144410.143212	
Jan. 1	J. H. King	34	22.105					297282
	Remold & Co.	35	110.65					340410
	Remold & Co.	37	95.77					25710
	W. Jenkins	36	131.22					21044
	W. Jones & Co.	39	71.615					76330
	Cash Sales	1			67.52			
	Bills Receivable	2	350 -					
	Remold & Co.	37	915.10	4576				
	Wm. & Co.	38	221 -	1105				
	Wm. & Co.	39	300 -	15 -				
	Cash Sales				215.95			
	Bills Receivable	2	175 -					
	"	2	317.10			159		
	Commission	28	131.025					
	Rent to City	11	50 -					
	Wm. & Co.	38	246.8	214				
	"	38	257.35	25				
	Remold & Co.	37	305.90			1534		
	Bills Receivable	2	760 -	50		380		
			7549.14	7470	202.45	193	144410.232794	

3

CASH PAYMENTS JOURNAL  
BANK AND AUXILIARY DISTRIBUTION BOOK

DATE 1921	NAME	CASH PAYMENTS	AMOUNT OF CHECK	DEBITS—(four places)							CREDITS—(four places)	
				NEW MATERIAL	SUPPLIES	LABOR	FUEL	REPAIRS	RENTS	OTHER	FOR CASH CREDITS	FOR CASH CREDITS
June 1	Wm. L. L. L. L.		75.10		75.10							
7	Wm. L. L. L. L.		120.00	120.00								
3	Wm. L. L. L. L.		67.50				17.50					
8	Wm. L. L. L. L.		41.00	41.00								
5	Wm. L. L. L. L.		224.09	224.09	75.00							
	Wm. L. L. L. L.	25						25				
	Wm. L. L. L. L.	45						45				
	Wm. L. L. L. L.	125						125				
	Wm. L. L. L. L.	75						75				
6	Wm. L. L. L. L.		72.50	72.50								
7	Wm. L. L. L. L.		925.00	925.00								
	Wm. L. L. L. L.	29.17		29.17	2.10							
8	Wm. L. L. L. L.		41.00									
9	Wm. L. L. L. L.		202.50				202.50					
10	Wm. L. L. L. L.		412.15									
11	Wm. L. L. L. L.		50.00									
	Wm. L. L. L. L.	28.12		28.12								
15	Wm. L. L. L. L.		120.00									
13	Wm. L. L. L. L.		207.60	207.60								
14	Wm. L. L. L. L.		37.32									
	Wm. L. L. L. L.	31.17		31.17	192.60	412.15	270.00					

## 4

**CASH RECEIPTS  
AND  
BANK**

[illegible]

5

CASH PAYMENTS  
BANK JOURNAL  
AND AUXILIARY DISTRIBUTION BOOK

DATE 1921	NO. OF Cash	NAME	CASH PAYMENTS	AMOUNT OF CHECK	DEBITS—(Use Number)							CREDITS—(Use Number)		BALANCE Fwd.	BALANCE Bk.
					RAW MATERIAL	SUPPLIES	LABOR	FUEL	INTEREST	SALES	REVENUE	Net Cost Deducted	Net Profit		
June 15		Printing forward	31	1532676	202117	14961	4661	5370	—	270					
15		Springer & Day		600	600	—	—	—	—	—					
16		Great Rock Co.		350	—	—	—	350	—	—					
17		W. W. Machinery Co.		6250	—	—	—	—	—	—	6250				
		Brigh & Co. transp.	210	—	—	—	—	—	—	—	—	210			
		"oil.	170	—	—	—	—	170	—	—	—	—			
18		W. W. Machinery Co.		2000	—	—	—	—	—	—	—	—			
19		Payroll		40020	—	—	40020	—	—	—	—	—			
20		"		50	—	—	50	—	—	—	—	—			
		Freight	1525	—	—	—	—	—	—	—	—	—			
21		Smith & Wadsworth Co.		215	—	—	—	—	—	—	—	—			
22		W. L. Co. Lumber Co.		4450	—	—	—	—	—	—	—	—			
23		Printing Co.		450	—	—	—	—	—	—	—	—			
24		Lawrence & Co. L.		110	—	—	—	—	—	—	—	—			
25		Yearly for the Hall		270	—	—	—	—	—	—	—	—			
26		Yearly for the Hall		170	—	—	—	—	—	—	—	—			
		Balance	60	46854	—	—	—	—	—	—	—	—			
22		Manning & Co.		5	—	—	—	—	—	—	—	—			
23		W. L. Co. Lumber Co.		25	—	—	—	—	—	—	—	—			
		W. L. Co. Lumber Co.	25	—	—	—	—	—	—	—	—	—			
		Balance	250	220464	262417	1916	44575	54270	770	—	6250	210	4000	144185	550

# 6 CASH RECEIPTS AND BANK JOURNAL

DATE	NAME	L. F.	NUMBERS	CASH DEPOSIT PARTS IN.	CASH SALES	INTEREST	CASH BALANCE	BANK DEPOSIT
Jan. 20	Postings forward	✓	136945	9466	54545	642	1441029465	
	Bill Receivable	2	150 -	75			14925	
	"	2	215 -	215			21505	
	"	2	320 -	480			31522	
	"	2	630 -	945			6205	
	New Nationals	13	210 -				155277	
	Disbursement to Retirement	5	310 -					
	Disbursement	28	960 -					
	Reb. to 2.0th	11	50 -					
			165345	11191	54545	642	1441029465	
				1	51		Postmark 683	
							Postmark 54545	
							Postmark 165345	
							Postmark 31522	
							Postmark 11191	
							Postmark 642	
							Postmark 21505	
							Postmark 31522	
							Postmark 6205	
							Postmark 155277	
							Postmark 1441029465	



CASH PAYMENTS  
BANK JOURNAL  
AND AUXILIARY DISTRIBUTION BOOK

DATE	No. of Check	NAME	CREDITS		DEBITS - (from Statement)										BALANCE	New Balance
			CASH PAYMENTS	AMOUNT OF CHECK	RAW MATERIAL	SUPPLIES	LABOR	FUEL	INCIDENTAL	REPAIRS	BY Com. Div. & Fr.	MANURES	L. F.	Other		
Jan 21		Postings forward	75.92	75.92											75.92	
29	10	W. H. H. H. H. H.		15											15	
30	10	W. H. H. H. H.		50											50	
31		Payroll		890.10			470.40								490.70	
32		" "		50			50									
33		Salaries	3.5	647.39												
34		Postings forward		3											3	
35	13	W. H. H. H. H.		310.85												
36		W. H. H. H. H.		50												
37		Payroll		515			505								505	
38		" "		50			50									
39		W. H. H. H. H.		50												
40		W. H. H. H. H.		60												
41		W. H. H. H. H.		75												
42		W. H. H. H. H.		100												
43		W. H. H. H. H.		75												
44		W. H. H. H. H.		60												
45		W. H. H. H. H.		70												
46		W. H. H. H. H.		70												
47		W. H. H. H. H.		70												
48		W. H. H. H. H.		70												
49		W. H. H. H. H.		70												
50		W. H. H. H. H.		70												
51		W. H. H. H. H.		70												
52		W. H. H. H. H.		70												
53		W. H. H. H. H.		70												
54		W. H. H. H. H.		70												
55		W. H. H. H. H.		70												
56		W. H. H. H. H.		70												
57		W. H. H. H. H.		70												
58		W. H. H. H. H.		70												
59		W. H. H. H. H.		70												
60		W. H. H. H. H.		70												
61		W. H. H. H. H.		70												
62		W. H. H. H. H.		70												
63		W. H. H. H. H.		70												
64		W. H. H. H. H.		70												
65		W. H. H. H. H.		70												
66		W. H. H. H. H.		70												
67		W. H. H. H. H.		70												
68		W. H. H. H. H.		70												
69		W. H. H. H. H.		70												
70		W. H. H. H. H.		70												
71		W. H. H. H. H.		70												
72		W. H. H. H. H.		70												
73		W. H. H. H. H.		70												
74		W. H. H. H. H.		70												
75		W. H. H. H. H.		70												
76		W. H. H. H. H.		70												
77		W. H. H. H. H.		70												
78		W. H. H. H. H.		70												
79		W. H. H. H. H.		70												
80		W. H. H. H. H.		70												
81		W. H. H. H. H.		70												
82		W. H. H. H. H.		70												
83		W. H. H. H. H.		70												
84		W. H. H. H. H.		70												
85		W. H. H. H. H.		70												
86		W. H. H. H. H.		70												
87		W. H. H. H. H.		70												
88		W. H. H. H. H.		70												
89		W. H. H. H. H.		70												
90		W. H. H. H. H.		70												
91		W. H. H. H. H.		70												
92		W. H. H. H. H.		70												
93		W. H. H. H. H.		70												
94		W. H. H. H. H.		70												
95		W. H. H. H. H.		70												
96		W. H. H. H. H.		70												
97		W. H. H. H. H.		70												
98		W. H. H. H. H.		70												
99		W. H. H. H. H.		70												
100		W. H. H. H. H.		70												



No. 5.---

Name

*Impairment & Betterment.*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec. 31</i>	<i>J.</i>	<i>1</i>		<i>30157 60</i>	
		<i>2</i>		<i>7920 -</i>	<i>38077 60</i>
<i>Jan. 15</i>		<i>3</i>	<i>5600 -</i>		
<i>28 Ch.B.</i>		<i>6</i>		<i>310 -</i>	
		<i>7</i>	<i>6250</i>		<i>32722 510</i>
	<i>J.</i>	<i>3</i>		<i>67384</i>	<i>33398 94</i>

No. 6.---

Name

*Taxes.*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec. 31</i>	<i>J.</i>	<i>1</i>	<i>920 -</i>		
<i>Inventory,</i>			<i>306 67</i>		
	<i>J.</i>	<i>2</i>		<i>1226 67</i>	
			<i>1226 67</i>	<i>1226 67</i>	
<i>Jan. 1</i>	<i>Inventory,</i>			<i>306 67</i>	<i>306 67</i>
<i>15 Ch.B.</i>		<i>5</i>	<i>270 -</i>		<i>36 67</i>
<i>28 J.</i>		<i>3</i>		<i>71 -</i>	<i>107 67</i>

No. 7.---

Name

*Insurance*

Address

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>2700 -</i>		
	<i>Inventory</i>			<i>900 -</i>	
	<i>J.</i>	<i>2</i>		<i>1800 -</i>	
			<i>2700 -</i>	<i>2700 -</i>	
<i>Jan 1</i>	<i>Inventory</i>		<i>900 -</i>		<i>900 -</i>
<i>15</i>	<i>C.R.</i>	<i>5</i>	<i>170 -</i>		<i>1070 -</i>
<i>28</i>	<i>J.</i>	<i>3</i>		<i>208 -</i>	<i>862 -</i>

No. 8.---

Name

*Tenant Property*

Address

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>10000 -</i>		<i>10000 -</i>

No. 9.---

Name Tenant Property Impairment  
& Betterment.

Address \_\_\_\_\_

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
Jan. 28	J.	4		38 46	38 46

No. 10.---

Name Tenant Property Taxes  
& Insurance.

Address \_\_\_\_\_

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
Jan. 28	J.	4		20 -	20 -



No. 12.

Name

*New Building*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Jan 25</i>	<i>C.B.</i>	<i>7</i>	<i>1561.55</i>		<i>1561.55</i>

No. 13.

Name

*Raw Material*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>46116 -</i>		
	<i>Inventory</i>			<i>9675 -</i>	
	<i>J.</i>	<i>2</i>		<i>36441 -</i>	
			<i>46116 -</i>	<i>46116 -</i>	
<i>Jan 1</i>	<i>Inventory</i>		<i>9675 -</i>		<i>9675 -</i>
<i>28</i>	<i>C.B.</i>	<i>6</i>		<i>210 -</i>	
		<i>7</i>	<i>3136.92</i>		<i>12601.92</i>
	<i>Inventory</i>			<i>5167.92</i>	
	<i>J.</i>	<i>3</i>		<i>7434 -</i>	
			<i>12811.92</i>	<i>12811.92</i>	
<i>Jan 29</i>	<i>Inventory</i>		<i>5167.92</i>		<i>5167.92</i>

No. 14. -

Name

*Supplies.*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
Dec 31	J.	1	12737 10		
	Inventory			3600 —	
	J.	2		9137 10	
			12737 10	12737 10	
Jan 1	Inventory		3600 —		3600 —
28	C.B.	7	192 61		3792 61
	Inventory			3372 61	
	J.	3		420 —	
			3792 61	3792 61	
Jan 29	Inventory		3372 61		3372 61

No. 15. -

Name

*Labor.*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
Dec 31	J.	1	22785 10		
		2		22785 10	
Jan 28	C.B.	7	2080 65		2080 65
	J.	3		2080 65	



No. 1.6. -

Name

*Fuel*

Address

DATE	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>190.</i>					
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>8620.75</i>		
	<i>Inventory</i>			<i>750 -</i>	
	<i>J.</i>	<i>2</i>		<i>7870.75</i>	
			<i>8620.75</i>	<i>8620.75</i>	
<i>Jan. 1</i>	<i>Inventory</i>		<i>750 -</i>		<i>750 -</i>
<i>28</i>	<i>C.B.</i>	<i>7</i>	<i>621.70</i>		<i>1371.70</i>
	<i>Inv't.</i>			<i>670 -</i>	
	<i>J.</i>	<i>3</i>		<i>701.70</i>	
			<i>1371.70</i>	<i>1371.70</i>	
<i>Jan 29</i>	<i>Inventory</i>		<i>670 -</i>		<i>670 -</i>

No. 17.---

Name

*Interest*

Address

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>32 14</i>		
		<i>2</i>		<i>32 14</i>	
<i>Jan 28</i>	<i>C.B.</i>	<i>6</i>		<i>6 93</i>	
		<i>7</i>	<i>10 33</i>		<i>3 40</i>
	<i>J.</i>	<i>4</i>		<i>3 40</i>	

No. 18.---

Name

*Cash Discount*

Address

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>56 025</i>		
		<i>2</i>		<i>56 025</i>	
<i>Jan 28</i>	<i>C.B.</i>	<i>6</i>	<i>111 81</i>		<i>111 81</i>
	<i>J.</i>	<i>4</i>		<i>111 81</i>	

No. 1.9. -

Name

*Goods Returned & Rebate.*

Address

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec. 31</i>	<i>J.</i>	<i>1</i>	<i>65.50</i>		<i>65.50</i>

No. 2.0. -

Name

*Bad Debts.*

Address

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec. 31</i>	<i>J.</i>	<i>1</i>	<i>310.15</i>		
		<i>2</i>		<i>310.15</i>	
<i>Jan. 28</i>	<i>J.</i>	<i>4</i>		<i>45.90</i>	<i>45.90</i>

No. 2.1. -

Name

*C. N. Wilson, Salesman.*

Address

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Jan. 28</i>	<i>C. N.</i>	<i>7</i>	<i>165 -</i>		<i>165 -</i>
	<i>J.</i>	<i>4</i>		<i>234.23</i>	<i>69.23</i>

No. 22--

Name

*Salaries*

Address

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>6000-</i>		
		<i>2</i>		<i>6000-</i>	
<i>Jan 28</i>	<i>C.B.</i>	<i>7</i>	<i>490-</i>		<i>490-</i>
	<i>J.</i>	<i>3</i>		<i>490-</i>	

No. 23--

Name

*General Expense*

Address

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>1715.50</i>		
		<i>2</i>		<i>1715.50</i>	
<i>Jan 28</i>	<i>C.B.</i>	<i>7</i>	<i>10.70</i>		<i>10.70</i>
	<i>J.</i>	<i>3</i>		<i>10.70</i>	





No. 27.

Name

*Goods.*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>		<i>36055.50</i>	
	<i>Inventory</i>			<i>1315 --</i>	
	<i>J.</i>	<i>2</i>	<i>37405.50</i>		
			<i>37405.50</i>	<i>37405.50</i>	
<i>Jan 1</i>	<i>Inv.</i>		<i>13.50 --</i>		<i>13.50 --</i>
	<i>J.</i>	<i>3</i>		<i>13.50 --</i>	<i>1215 --</i>
<i>8</i>	<i>B</i>			<i>2295.45</i>	
<i>28</i>	<i>CR</i>	<i>6</i>		<i>5484.5</i>	<i>1628.90</i>
	<i>J.</i>	<i>4</i>	<i>12089.89</i>		
				<i>3471.82</i>	
	<i>Inventory</i>			<i>7423 --</i>	
			<i>4338.3</i>		
			<i>13873.72</i>	<i>13873.72</i>	
<i>Jan 29</i>	<i>Inv.</i>		<i>7423 --</i>		

No. 28.

Name

*Consignment*

Address

DATE	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
1901					
Dec 31	J.	1		68118 15	
	Inventory			815 -	
	J.	2	68933 15		
Jan 1	Inventory		815 -		815 -
4	2021#	1			
7	3712#	2			
8	CR	2		1310 25	
10	4211#	4			
14	3817#	6			
15	CR	4		1750 15	
17	3622#	9			
20	4048#	11			
22	CR	4		1134 40	
28		6		960 -	4339 80
	J.	4	3471 82		
	Inventory			197 15	
	J.	4	1065 13		
			5351 95	5351 95	
Jan 29	Inventory		197 15		



No. 27.

Name

*Waste.*

Address

DATE	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>1901</i>					
<i>Dec 31</i>	<i>J.</i>	<i>1</i>		<i>2312 40</i>	
	<i>Inventory.</i>			<i>720 -</i>	
	<i>J.</i>	<i>2</i>	<i>3032 40</i>		
			<i>3032 40</i>	<i>3032 40</i>	
<i>Jan 1</i>	<i>Inventory.</i>		<i>720 -</i>		<i>720 -</i>
<i>15</i>	<i>C.B.</i>	<i>4</i>		<i>30 -</i>	<i>690 -</i>
	<i>Inventory.</i>			<i>1010 -</i>	
<i>28</i>	<i>J.</i>	<i>4</i>	<i>320 -</i>		
			<i>1040 -</i>	<i>1040 -</i>	
<i>Jan 29</i>	<i>Inventory.</i>		<i>1010 -</i>		<i>1010 -</i>

No. 301.

Name

*Loss & Gain.*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>2</i>		<i>14474 93</i>	
				<i>780 -</i>	
			<i>902 54</i>		
			<i>14352 39</i>		
			<i>15254 93</i>	<i>15254 93</i>	
<i>Jan 1</i>	<i>J.</i>	<i>3</i>	<i>135 -</i>		<i>135 -</i>
<i>28</i>		<i>4</i>		<i>1520 16</i>	<i>1385 16</i>

No. 31.

Name

*Four Weeks Loss & Gain.*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Jan 28</i>	<i>J.</i>	<i>4</i>		<i>1970 50</i>	
			<i>450 36</i>		
			<i>1520 16</i>		

No. 32. -

Name

*Dividend.*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec. 31</i>	<i>J.</i>	<i>2</i>		<i>12000 -</i>	<i>12000 -</i>
<i>Jan. 15</i>	<i>CB.</i>	<i>5</i>	<i>12000 -</i>		

No. 33. -

Name

*Undivided Profits.*

Address

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec. 31</i>	<i>J.</i>	<i>1</i>		<i>180589</i>	<i>180589</i>
		<i>2</i>		<i>235239</i>	<i>415828</i>

No. 34. -

Name

*J. N. King*

Address

*Chicago, 24 West St.*

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>1441.55</i>		<i>1441.55</i>
<i>Jan. 1</i>	<i>C.B.</i>	<i>2</i>		<i>321.05</i>	
<i>22</i>		<i>14</i>		<i>1120.50</i>	

No. 35. -

Name

*Small & Eustice*

Address

*Buffalo, 212 Lakes St.*

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec 31</i>	<i>J.</i>	<i>1</i>	<i>1214.65</i>		<i>1214.65</i>
<i>Jan. 1</i>	<i>C.B.</i>	<i>2</i>		<i>110.65</i>	
<i>8</i>	<i>L.</i>		<i>221.40</i>		
<i>22</i>	<i>C.B.</i>	<i>4</i>		<i>384 -</i>	<i>941.40</i>

No. 36--

Name

*J. J. Jenkins.*

Address

*Albany, 10 River St.*

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec. 31</i>	<i>J.</i>	<i>1</i>	<i>1658 44</i>		<i>1658 44</i>
<i>Jan. 1</i>	<i>CR</i>	<i>2</i>		<i>1314 20</i>	
<i>8</i>	<i>S.</i>		<i>620 10</i>		
<i>15</i>	<i>CR</i>	<i>4</i>		<i>344 24</i>	<i>620 10</i>

No. 37--

Name

*Reynolds & Co.*

Address

*City, 19 John St.*

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
<i>Dec. 31</i>	<i>J.</i>	<i>1</i>	<i>1321 27</i>		<i>1321 27</i>
<i>Jan. 1</i>	<i>CR</i>	<i>2</i>		<i>95 27</i>	
<i>8</i>				<i>915 10</i>	
	<i>S.</i>		<i>710 07</i>		
<i>15</i>	<i>CR</i>	<i>2</i>		<i>308 90</i>	<i>712 07</i>

*No 38.*

Name

Wrenn & Co.,

**Address**

St. Louis. 34 Georges St.

[illegible]

No. 39. - -

Name \_\_\_\_\_

Rogers & Pugh.

### Address

New York, 217 Duane St.

DATE 190.	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
Dec. 31	J.	1	1335 45		1335 45
Jan. 1	C.B.	2		714 15	
8				300 —	
	L.		427 18		
22	C.B.	4		321 30	427 18

No. 42.-

Name R. M. Wilson.

Address Chicago, 31 Lake St.

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
Dec 31	J.	1		410 -	410 -
Jan 5	C.B.	3	410 -		

No. 41.-

Name J. C. Lincoln.

Address City, 214 Ridge St.

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
Dec 31	J.	1		300 -	300 -

No. 42.-

Name New York Machinery Co.

Address New York, 136 Liberty St.

DATE 1901	BOOK	FOLIO	DEBIT	CREDIT	BALANCE
Dec 31	J.	1		615 -	615 -
Jan 15		3		14000 -	
			12000 -		
	C.B.	5	2000 -		615 -

# *Trial Balance, Jan. 28, 1900.*

1	Capital Stock			100000	—
2	Bills Receivable	350	15		
3	Bills Payable			12399	65
4	Plants	107250	—		
5	Impairment & Betterment			32725	10
6	Accs.			3667	
7	Insurance	1070	—		
8	Tenant Property	10000	—		
11	Rent			210	—
12	New Building	156155			
13	Raw Materials	1260192			
14	Supplies	379261			
15	Labor	208065			
16	Fuel	137170			
17	Interest	540			
18	Cash Discount	11181			
19	Goods Returned & Rebates	6550			
21	C. W. Wilson's Salesman	165	—		
22	Salaries	490	—		
23	General Expenses	1070			
24	Goods in Process	3750	—		
27	Goods			162090	
28	Consignment			433950	
29	Waste	640	—		
30	Loss & Gain	135	—		
33	Undivided Profits			415828	
35	Small Creditors	94140			
36	J. J. Jenkins	620	10		
37	Reynolds & Co.	712	07		
38	Wynn & Co.	316	75		
39	Rogers & Pugh	427	18		
41	J. C. Lincoln			300	—
42	New York Machinery Co.			615	—
	Cash	789591			
		156413	40	156413	40



# BANK BOOKKEEPING

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## METHOD OF WORK

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### INTRODUCTION

1. Deeming it best, in treating on bank bookkeeping, to take up the work of a bank of the usual size in one of the smaller cities, we have located our bank in Hartford, Conn., and have called it the Equitable National Bank. It has a capital stock of \$500,000 and a surplus of \$200,000, and does an ordinary commercial business. Its principal officers are M. A. Bigelow, president, and J. E. Allard, cashier. It is a member of the Hartford Clearing House Association and its clearing-house number is 8. The following is a list of the numbers and names of the other Hartford banks belonging to the Clearing House Association: (1) Hartford National Bank, (2) Farmers and Mechanics National Bank, (3) National Exchange Bank, (4) State Bank, (5) Connecticut River Banking Company, (6) City Bank, (7) Charter Oak National Bank, (9) First National Bank, (10) Aetna National Bank, (11) American National Bank, (12) Phoenix National Bank.

The banking institutions of the city that are not members of the Clearing House Association are: Eastern Safe Deposit Company, Merchants Bank, Security Trust Company.

The principal correspondents of the Equitable National Bank are the Eastern National Bank of New York, and the First National Bank of Boston.

The work of the bank is separated into seven departments in charge of: (1) *receiving teller*, (2) *paying teller*, (3) *collection clerk*, (4) *note teller*, (5) *mail clerk*, (6) *individual-ledger*

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*bookkeeper*, and (7) *general-ledger bookkeeper*. This arrangement is solely for convenience in carrying out the work of each department. Arranged according to the importance of their positions, the employes of the bank would be: Paying teller, receiving teller, note teller, general-ledger bookkeeper, individual-ledger bookkeeper, collection clerk, mail clerk.

In the work of the bank, all checks and other items payable at any one of the members of the Hartford Clearing House Association are classed as *clearings*. Those payable at Hartford banking institutions not members of the Clearing House Association are classed as *non-clearings*. Those payable at banks located outside of the city are classed as *correspondents*.

The bookkeeping method followed is known as the **check-sheet system**. Under this plan, the work of the receiving, paying, and note tellers, and mail clerk is entered in detail on sheets or books called *scratchers*. Each scratcher is so arranged that the work of the person handling it can be proved by itself. The balance is obtained from these scratchers by bringing together all the work on the general proof book, which is kept by the general-ledger bookkeeper. By this method, the sum of all the checks on the bank cashed by the paying teller, and received by the receiving teller, note teller, mail clerk, and from the clearing house must equal the total amount of checks debited on the individual ledger. In the same way, all the checks on correspondent banks received must equal those sent to the other banks for credit, as shown by the bank page of the individual ledger; and all checks received that are payable through the clearing house must equal those prepared for delivery to the clearing house, as shown by the clearing-house register. With this system, every cash item entering or leaving the bank through any of the departments is entered there, so that the record must agree with the resulting debit or credit on the ledgers. The result is that the search for an error is bound to be restricted to one side of the class of accounts in which it appears, and the error is readily found.

### RECEIVING TELLER

2. The receiving teller ranks next to the paying teller in importance. It is his duty to receive all items except those taken by the note teller and received through the mail. He comes in direct contact with the depositors and makes the deposit entries in their pass books, and also issues certificates of deposit and cashier's checks. The books in his charge are the *certificate-of-deposit register*, *cashier's check register*, *receiving-teller's scratcher*, and *receiving-teller's settlement*.

#### BOOKS AND FORMS

3. The following illustrations show how the transactions at the receiving-teller's window are handled. But one deposit ticket, etc. is shown, being all that is necessary to a clear understanding of the method.

The deposit ticket, Fig. 1, is a memorandum

showing the items of a deposit. It is made out by the depositor. The amount of bills, coin, and each check are listed separately. Checks drawn on the bank where the deposit is made are designated by the name of the maker, other local checks by the name of the bank, and foreign or outside checks by the location of the bank on which they are drawn.

DEPOSITED BY	
<i>James Myers</i>	
<i>Sept. 5, 190</i>	
WITH THE	
EQUITABLE NATIONAL BANK	
OF HARTFORD, CONN.	
LIST EACH CHECK SEPARATELY	
Bills	60
Specie	1125
Checks <i>J. N. Stetson &amp; Co.</i>	150
<i>Boston</i>	257 50
<i>Acton</i>	400
<i>Hartford</i>	5
<i>Springfield</i>	194 10
Total	1107 85

FIG. 1



a specified sum of money, which will be repaid either to him or to some designated person on presentation of the certificate. Certificates are generally issued to persons who do not care to open accounts for the purpose of drawing checks, but who place the money in the bank merely for safe-keeping.

SIGNATURE	
<i>A. J. Newton Co.</i>	
<i>A. J. Newton</i>	TITLE <i>Partner</i>
<i>C. B. Frederick</i>	TITLE <i>Partner</i>
	TITLE
DATE <i>Sept. 8, 190</i>	BUSINESS <i>Hardware dealer</i>
ADDRESS <i>1349 Everett St. Hartford</i>	
INTRODUCED BY <i>J. D. Thatcher</i>	

FIG. 3

The certificate-of-deposit register, Fig. 5, contains a record of certificates of deposits issued; it gives the date, number, name of payee, and amount of the certificate. At the close of the day the receiving teller makes out a credit

CERTIFICATE OF DEPOSIT	<i>\$100.00</i>	No. <i>1604</i>
	<b>THE EQUITABLE NATIONAL BANK</b>	
	<i>Hartford, Conn., Sept. 8, 190</i>	
	<i>W. D. Smithfield</i> has deposited in this bank	
	<i>One hundred &amp; no/100</i> Dollars	
	payable to the order of <i>himself</i>	
	on return of this certificate properly indorsed.	
	<i>J. E. Allard</i> CASHIER	

FIG. 4

ticket for the Certificates-of-Deposit account, containing the total of the amounts of certificates issued; this is given to the individual-ledger bookkeeper for entry. When a certificate

is paid, the date is entered in the last column so that the certificates outstanding may be distinguished readily and the amount compared with the ledger account at regular intervals.

The **cashier's check**, Fig. 6, is an ordinary check signed by the cashier of the bank and issued in payment of expenses

THE EQUITABLE NATIONAL BANK						
CERTIFICATES OF DEPOSIT						
DATE	NUMBER	PAYEE	AMOUNT	DATE	PAYMENT	
Sept 5	1891	J. E. Armstrong	200			
	1892	Mrs. Emily Goodell	150	Sept 5 1901		
7	1893	Barnard & Steele	2000			
8	1894	W. D. Smithfield	100			
	1895	F. B. Lecky, Williams	400			
	1896					
	1897					

FIG. 5

where a remittance is necessary. Banks in some of the large cities follow the custom of selling cashier's checks instead of bank drafts. An account, called the *cashier's account*, against which these checks are charged, is kept in the individual ledger.

<b>CASHIER'S CHECK</b>	HARTFORD, CONN. <u>Sept 5</u> , 190 <u>1</u> No. 553	
	<b>THE EQUITABLE NATIONAL BANK</b>	
	PAY TO THE ORDER OF <u>J. H. Cassadon &amp; Co.</u> \$ <u>11.45</u>	
	<u>Eleven &amp; 45/100</u> DOLLARS	
	<u>J. E. Allard</u> CASHIER	

FIG. 6

The **cashier's check register**, Fig. 7, is a book for recording cashier's checks issued; in it are entered the date, number, name of payee, and amount of each check. At the close of business, the receiving teller foots the entries of the day in the Amount column and carries the footing to the Day Total column, at the same time making out a credit

ticket of the amount for entry in the Cashier's Account. When a cashier's check is paid, the date is entered in the last column.

The receiving-teller's scratcher, Fig. 8, is a sheet or book for recording the transactions of the day at the receiving-teller's window. When a deposit is received, the name of the depositor is entered in the first column, and the amount of the deposit in the Total column. The sum of the bills and coin on the deposit ticket is entered in the column headed Cash. Should there be a charge for the collection of any of the checks deposited, the amount is deducted from the total of the deposit ticket and entered in

### THE EQUITABLE NATIONAL BANK

#### CASHIER'S CHECKS

DATE	NUMBER	PAYEE	AMOUNT	DAY TOTAL	WHEN PAID
Sept 7	551	B. A. Macarty	500		Sept 8
	552	New York Title Co.	25	3049	
	553	J. N. Carroll & Co.	1145	1145	
	554				
	555				
	556				
	557				
	558				
	559				
	560				

FIG. 7

the Exchange column. The amount left after this deduction is entered in the Total column. Checks drawn on the bank are entered separately in the column headed Equitable. Checks on banks that are members of the local clearing house are entered separately in the Clearings column; those on banks that are not members in the Non-Clearings column; and those on banks outside the city in the Correspondents column. When a certificate of deposit is issued, the number is entered in the Account Of column and the amount in the Total column. If the certificate was issued for cash, the amount received is entered in the Cash column; if for a check, the check is entered in the proper column. The issue

## RECEIVING TELLER

Sept. 8, 190

[illegible]

FIG. 8



of cashier's checks is noted likewise at the end of the day, and in addition the amount of the Expense debit ticket for which they are made out is entered under Sundry. When currency is delivered to the paying teller during the day the amount is entered under Sundry. At the close of the day, the footings of the columns are carried to the receiving-teller's settlement.

The receiving-teller's settlement, Fig. 9, is a sheet or book used to prove the day's transactions recorded in the

Receiving Teller's Settlement <i>Sept. 8, 190</i>									
Dr.					Cr.				
Checks on Equitable					Deposits				
					2794.50				
Clearings					6178.95				
Correspondents					11732.46				
Non-clearings					421.18				
Expense					114.8				
To Paying Teller					1000				
Cash on hand:									
Gold coin					20				
Gold certificates					0				
National bank notes					380				
Legal tenders					300				
Silver certificates					348				
Silver dollars					55				
Fractional silver					2875				
Nickels and cents					1875				
					1150.50				
					23289.10				
					23289.10				

FIG. 9

scratcher. On the debit side, opposite Checks on Equitable, Clearings, Correspondents, and Non-Clearings, are entered the footings of the corresponding columns on the scratcher. The items under Sundry on the scratcher are entered opposite Expense, and to Paying Teller. The actual cash on hand at the close of the day is counted and entered in detail, as shown under the heading Cash on Hand, the total then being carried out as indicated. On the credit side, the sum of the entries in the Total column of the scratcher is entered

opposite Deposits, and the footing of the Exchange column opposite Exchange. The debit and credit sides of the settlement are footed, and, if they agree, the day's work is considered correct.

#### TRANSACTIONS

4. The following were the transactions at the receiving-teller's window on Tuesday, September 8, 190 , and are entered on the receiving-teller's scratcher, certificate-of-deposit register, and cashier's check register, as the transactions require. The day's work is proved on the receiving-teller's settlement sheet.

##### Deposits of regular customers:

##### James Myers,

Bills,	60.00
--------	-------

Coin,	11.25
-------	-------

##### Checks:

J. H. Steele & Co.,	150.00
---------------------	--------

Boston,	287.50
---------	--------

Aetna,	400.00
--------	--------

Hartford,	5.00
-----------	------

Springfield,	194.10
--------------	--------

Total,	1,107.85
--------	----------

##### W. H. Gillette & Co.,

Bills,	148.00
--------	--------

##### Checks:

Farmers and Mechanics,	984.90
------------------------	--------

Chattanooga,	1,564.00
--------------	----------

(Exchange \$1.56)

Merchants,	10.00
------------	-------

Total (less exchange),	2,705.34
------------------------	----------

##### Wm. E. Foster,

##### Checks:

J. B. Farnum,	197.00
---------------	--------

C. T. Folk,	57.10
-------------	-------

C. A. Lamson,	421.20
---------------	--------

Total,	675.30
--------	--------

F. T. Peabody,	
Bills,	320.00
Coin,	57.75
Checks:	
W. H. Gillette & Co.,	400.00
N. C. Gilson & Co.,	158.80
National Exchange,	631.00
New York,	<u>1,040.61</u>
Total,	2,608.16

Deposit of new customer:

A. S. Newton Co.,	
Bills,	1,000.00
Checks:	
New York,	5,000.00
Aetna,	<u>1,800.00</u>
Total,	7,800.00

Issued to W. P. Smithfield, for currency, certificate of deposit No. 1,604, \$100.

Deposits of regular customers:

P. C. Duggan,	
Bills,	90.00
Coin,	11.50
Checks:	
C. M. Coates,	52.00
J. C. Cheeseton,	<u>45.00</u>
Total,	198.50

S. B. Embleton,	
Checks:	
Cambridge,	501.10
New London,	100.00
Camden,	90.00
American,	1,048.50
Eastern Safe Deposit Co.,	<u>411.18</u>
Total,	2,150.78

Lucy B. Fostelle,	
Bills,	50.00
Checks:	
J. C. Hayden,	10.60
B. E. French,	42.00
Phoenix,	30.00
Total,	<u>132.60</u>
Fred J. Thatcher,	
Bills,	140.00
Coin,	42.00
Checks:	
Chicago,	987.75
Philadelphia,	540.00
New Haven,	181.00
Charter Oak,	261.50
Total,	<u>2,152.25</u>
Empire Gun Co.,	
Checks:	
J. B. Felt & Co.,	118.00
F. P. Gardner,	18.50
N. C. Emerson & Son,	190.00
Aetna,	146.10
Aetna,	134.18
Connecticut River Banking Co.,	421.10
City,	156.70
Hartford,	160.00
New York,	675.00
Total,	<u>2,019.58</u>
Elastic Felt Co.,	
Bills,	120.00
Checks:	
C. A. Lamson,	100.00
J. B. Farnum,	87.40
City Printing Co.,	47.80
Horatio Kerns,	111.20
Total,	<u>466.40</u>

Issued to F. Blakely Williams, for check of B. E. French, certificate of deposit No. 1,605, \$406.

Issued to J. H. Carrollton & Co., from debit ticket charging expense account, cashier's check No. 553, \$11.48.

Deposits of regular customers:

Fremont Stove Co.,

Checks:

Excelsior Iron Works,	181.90
Richmond,	571.40
(Exchange, \$.57)	
Total (less exchange),	<u>752.73</u>

Transferred during the day to the paying teller, \$1,000 in currency.

Cash on hand in detail at close of business:

Gold coin,	20.00
Gold certificates,	
National bank notes,	380.00
Legal tenders,	300.00
Silver certificates,	348.00
Silver dollars,	55.00
Fractional silver,	28.75
Nickels and cents,	18.75

---

### PAYING TELLER

5. The **paying teller** is the employe of the first importance in a bank, ranking next to the cashier. He has charge of the bank's money, and it is his duty to cash checks and make all other payments called for by the business of the bank. It is necessary for him to keep in close touch with the condition of the depositors' accounts, and he must have a thorough knowledge of the depositors' signatures. He sells bank drafts and, when the function is not performed by the cashier, certifies checks. The books in his charge are the *certified-check register*, *paying-teller's scratcher*, and *paying-teller's settlement*.

## BOOKS AND FORMS

6. The following illustrations show the books and forms handled by the paying teller:

Fig. 10 is a common check, which is one drawn by a depositor against his account in the bank. Before a check is paid it is carefully scrutinized by the paying teller to see

F. P. GARDNER	Hartford, Conn. <u>Sept 7, 190</u> No. <u>368</u>	
	<b>THE EQUITABLE NATIONAL BANK</b> <small>THROUGH THE HARTFORD CLEARING HOUSE ASSOCIATION</small>	
	PAY TO THE ORDER OF <u>James C. Lamson</u>	<u>\$167.<sup>00</sup></u>
	<u>One hundred sixty-seven &amp; 00/100</u> — Dollars	
	<u>F. P. Gardner</u>	

FIG. 10

that it is properly dated, that the signature is genuine, that the indorsements are correct, and that there are sufficient funds on deposit to meet it.

A bank draft, Fig. 11, is one drawn by a bank against its account in some other bank. It is the policy of all banks

<b>EQUITABLE NATIONAL BANK</b>		No. 14301
HARTFORD, CONN. <u>Sept 7, 190</u>		
PAY TO THE ORDER OF <u>James B. Walsh</u>		<u>\$175.<sup>00</sup></u>
<u>Four hundred seventy-five &amp; 00/100</u> — DOLLARS		
TO EASTERN NATIONAL BANK NEW YORK CITY	<u>J. E. Allard</u> <small>CASHIER</small>	

FIG. 11

to keep accounts in one or more banks in each of the nearest financial centers, against which drafts are drawn for remittance purposes and for sale to customers.

A certified check, Fig. 12, is one that a bank has guaranteed by writing "Good" or "Certified" across its face,

and accompanied by an authorized signature. When a check is certified, the depositor's account is charged with the amount, and the Certified Checks account in the individual ledger is credited.

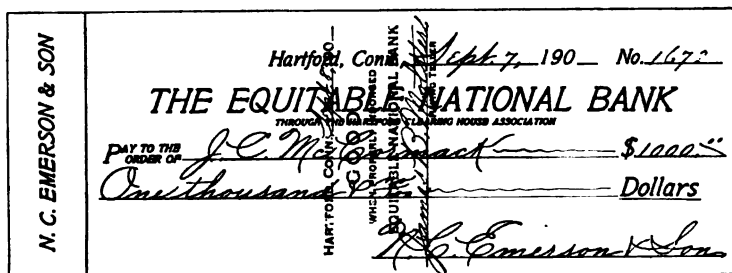


FIG. 12

The **certified-check register**, Fig. 13, contains a record of all checks certified. The date of the certification, the name of the drawer, the name of the payee, the person for whom the certification is made, and the amount are entered in their proper columns; at the same time a debit ticket is made for the same sum, charging the account of the drawer of the check. At the close of the day the paying teller foots the entries of the day in the Amount column and carries the footing to the Day Total column. A credit ticket is then made out for the Certified Checks account in the individual ledger. When a certified check is paid the date is entered in the last column.

The **paying-teller's scratcher**, Fig. 14, is a sheet or book for recording the transactions of the day at the paying-teller's window. When a check is cashed, the amount is entered in the proper Paid column, as shown in the illustration. Certificates of deposit, when paid, are entered as if they were checks of a depositor. Under the heading Sundry, are entered the payments of such items as do not belong to the other Paid columns. The General column on the Received side of the scratcher shows, opposite Balance forward, the amount of cash on hand from the paying-teller's transactions of the previous day. Opposite Receiving





**PAYING TELLER** Sept. 8, 190—

**PAYING TELLER** Sept. 8, 190—

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At the close of the day, the footings are carried to the paying-teller's settlement.

The **paying-teller's settlement**, Fig. 15, is a sheet or book used to prove the day's transactions at the paying-teller's window. It is divided into two parts—the Settlement and the Cash Proof. The items on the debit side of the Cash Proof are from the detail of the General column on the paying-teller's scratcher. The designation General Items is for the total of the General Receipts on the debit side of the settlement above. On the credit side of the Cash Proof the item Checks and Items Paid represents the total of the column with the same title in the settlement above. Cash on Hand shows, in detail, the amount of cash on hand at the close of the day.

In the settlement, the items under General Receipts on the debit side are taken from the Received side of the scratcher. Exchanges from Clearings shows the amount of checks received from the clearing house. Checks Certified shows the amount of checks certified during the day. The items Checks on Equitable, Clearings, Correspondents, Non-Clearings, and Expense Account are taken from the detail of the column Checks and Items Paid on the credit side of the settlement. On the credit side, Checks and Items Paid represents the actual cash payments as shown by the scratcher. Correspondents (Drafts) and Exchange are taken from the details of General Receipts on the debit side of the settlement. Certified Check Account shows the amount credited this account during the day, and Exchanges to Clearings indicates the amount of the checks taken to the clearing house.

The Cash Proof affords the trial proof of the transactions at the paying-teller's window, and is proved before the debit and credit columns of the settlement are footed. The settlement is used to expedite the balance of the proof book, which will be explained later.

Dr.	Paying Teller's Settlement		Sept. 8, 190__		Cr.
General Receipts:					
Balance from clearings					
Drafts sold	122.5				2052.74
Exchange	246.3				1663.50
	1227.43				2105.78
Exchanges from clearings		1227.43			220.45
Checks certified		2458.62			7
Checks on Equitable		16.50			8147.42
Clearings		2052.74			1410.59
Correspondents		1663.50			122.5
Non-clearings		2105.78			246.3
Expense account		220.45			16.50
		7			16742.20
		33818.22			33818.22

[illegible]

**FIG. 15**

**TRANSACTIONS**

**7.** The following were the transactions at the paying-teller's window on Tuesday, September 8, 190 :

**Checks paid:**

F. P. Gardner, on Equitable,	167.40
W. H. Gillette & Co., on Equitable,	12.10
American National Bank, city,	275.00
First National Bank, Boston,	25.00
Chase National Bank, New York,	155.75
Chicopee National Bank, Springfield,	645.00
J. B. Farnum, on Equitable,	38.90
State Bank, city,	250.00
Eastern Safe Deposit Co., city,	187.75
Hartford National Bank, city,	75.50
National Bank of Commerce, New London,	65.50
City National Bank, Bridgeport,	37.18
Security National Bank, Sioux City,	850.00
(Exchange, \$.85)	

Sold to James B. Walsh, draft on Eastern National Bank, New York, No. 14,301, \$475; exchange, \$.48. Received cash in payment.

Paid cash for gas bill for month of August, \$6.50.

Received from the collection clerk and sent to the clearing house yesterday's clearing-house checks amounting to \$16,742.20.

Received checks from clearing house amounting to \$24,889.62.

Paid clearing-house balance due \$8,147.42.

**Checks paid:**

N. C. Gilson & Co., on Equitable,	49.90
F. T. Peabody, on Equitable,	175.00
Cashier's check to B. S. Macatee, No. 551,	5.49
City Printing Co., on Equitable,	296.00
First National Bank, city,	1,050.50
C. M. Coates, on Equitable,	375.20

Sold draft on First National Bank, Boston, No. 12,608,

\$750, payable to Mrs. Mary D. Luey; exchange, \$.75.  
Received check of S. B. Embleton, for \$750.75, in payment.

Checks paid:

Atlantic National Bank, Jacksonville, Fla.,	327.35
(Exchange, \$.35)	

Paid to Mrs. Emily Cordell, certificate of deposit No. 1,602,  
\$184.

Checks paid:

Phoenix National Bank, city,	12.50
Merchants, city,	32.40

Paid cash for express, \$.50.

Certified the following checks:

N. C. Emerson & Son, for J. C.	
McCormack,	1,000.00
Excelsior Iron Works, for First	
National Bank,	650.00

Received \$1,000, in currency, from receiving teller.

The paying teller's cash on hand from yesterday was  
\$138,737.72. Received from receiving teller at close of  
business September 7, \$5,348.20; from note teller, \$2,475.15.

Cash on hand, in detail, at close of business:

Gold coin,	63,200.00
Gold certificates,	15,000.00
National bank notes,	11,205.00
Legal tenders,	35,350.00
Silver certificates,	7,095.00
Silver dollars,	2,658.00
Fractional silver,	55.00
Nickels and cents,	26.91

### COLLECTION CLERK

8. The collection clerk ranks next to the two book-keepers as an employe of the bank. It is his duty to take charge of the notes, drafts, and other items received by the bank for collection and see that they are paid or otherwise disposed of. The collection items are distinguished from

credit items in that they are not treated as cash transactions and are not credited to any account in the bank until they are due and paid. In addition to handling this class of items the collection clerk in this bank prepares the Clearings checks for the clearing house. The books in his charge are the *collection register*, *collection tickler*, and *clearing-house register*.

#### BOOKS AND FORMS

9. A draft, Fig. 16, is an order generally made by one on his funds in the hands of another. It may, however, be drawn when the drawer has no funds in the hands of the drawee, but has reasonable grounds to believe that the draft

NO PROTEST (REMOVE BEFORE PRESENTING)	\$ <u>50.00</u>	Boston, Mass., <u>Sept 5</u> , 190 <u>0</u>
	<u>At sight</u> Pay to the order of	
	<b>THE FIRST NATIONAL BANK</b>	
	<u>Fifty and no/100</u> Dollars	
	Value received and charge the same to the account of	
	To <u>T. C. Nesbit</u>	
	No. <u>416</u> <u>Norfolk, Conn.</u> } <u>Lucius R. Dwyer, Jr.</u>	

FIG. 16

will be accepted. When the person on whom it is drawn accepts it he becomes liable for its payment, and it becomes due according to the law of the state in which it is made payable. Drafts are usually drawn on demand, at sight, or on time. The illustration is that of a sight draft.

In order to facilitate the collection correspondence of a bank, the collection clerk uses a general letter, the form of which varies with the amount of business of the bank using it. The letter shown in Fig. 17 may be used to remit for collections made, send away items for collection, and return items received for collection because they are unpaid or incomplete in some particular. In writing this letter, the collection number of the item sent or returned, the amount,

and a description sufficient to identify it are entered in the proper place.

The collection tracing card, Fig. 18, is a postal card used for the purpose of inquiry regarding items sent to other banks for collection, and which are not heard from within a

CAPITAL \$500,000		SURPLUS \$200,000	
<p style="font-size: large; margin: 0;"><b>THE</b></p> <p style="font-size: large; margin: 0;"><b>EQUITABLE NATIONAL BANK</b></p> <p style="margin: 5px 0;">Hartford, Conn., <u>Sept. 5</u>, 190<u>0</u></p> <p style="margin: 5px 0;"><u>Arthur R. West</u> Cashier, <u>Springfield, Mass.</u></p> <p style="margin: 5px 0;">DEAR SIR:</p>			
We enclose herewith for collection and remittance:			
<u>1677 Milton Hayes &amp; Co., Sept. 22</u>	<u>176.40</u>		
We return herewith unpaid:			
<u>1671 City Printing Co. - eight</u> <u>Reason indorsed.</u>	<u>28.50</u>		
We return herewith for indorsement:			
We enclose our draft on _____ in payment of the following, sent for collection:			
PAYER	AMOUNT	EXCHANGE	
<p style="text-align: center;">Very Respectfully,</p> <p style="text-align: right;">J. E. ALLARD, Cashier <i>J.E.A.</i></p> <p style="font-size: x-small;">Please acknowledge receipt. Protest all items unless otherwise instructed.</p>			

FIG. 17

reasonable time after they are due. A description of the item is entered as shown by the headings of the spaces in the illustration in order to enable the collecting bank to identify it.

The collection register, Fig. 19, is a book used for

recording all items received by the bank for collection. Such items are received either from its customers or from other banks. When one is received, the date of receipt is entered in the first column of the register, and the consecutive number given it is placed in the second. The name of the payer is entered in the third column. The name of the bank or place where a collection note or check is payable is entered in the column Payable At. No entry is made in this column in the case of a draft unless it is accepted and payable at a future date. The column headed Collected For is for the name of the bank or customer for whom the item is

COLLECTION DEPARTMENT					
EQUITABLE NATIONAL BANK					
Hartford, Conn., <i>Sept. 8,</i> 190 <i>0</i>					
Have the following collections been paid?					
NO.	PAYER	SENT	DUE	AMOUNT	
<i>1539</i>	<i>J. J. Parsons &amp; Son</i>	<i>Aug 20</i>	<i>Sept 8</i>	<i>220</i>	<i>60</i>

Very Respectfully,  
J. E. ALLARD, Cashier

PLEASE ANSWER ON THIS CARD. *1308*

FIG. 18

collected. The collection number given by the sending bank, or, if it has no number, the date of the letter of transmittal, is placed in the column headed Sender's No. The date of the item, its time, date due, and amount are then entered. If the item is subject to protest, "Yes" is entered in the Protest column; if not, "No" is entered. The nature and date of the item's final disposition are entered in the space headed Disposition. This column is generally used to note the disposition of only those items that are paid or returned and are not entered in the collection tickler.

The collection tickler, Fig. 20, is a book in which





## EQUITABLE N

COLLECT

*Septem*

OUR NO.	COLLECTED FOR	RECEIVED	PAYER	
1573	Eastern New York	Aug 25	Trueman Stone Co.	Equitab
1604	H. H. & Co.	Sept 1	Sampson & Bliss	Phoenix
1608	First Boston	Sept 1	Newton D. Joy	Hartford
1628	City Printing Co.	Sept 14	Springfield Book Co.	Chicago
1630	James Myers	Sept 14	W. E. Emerson & Son	Equitab
1641	Fourth Waterbury	Sept 5	Peter Bramson	Equitab

*Septem*

OUR NO.	COLLECTED FOR	RECEIVED	PAYER	
1640	Continental Chicago	Sept 5	D. C. Fitcham Co.	Equitab
1673	Commerce New London	Sept 8	A. B. Bovee & Son	Attna
1677	A. B. Embleton	Sept 8	Milton Haynes & Co.	Third

*Septem*

OUR NO.	COLLECTED FOR	RECEIVED	PAYER	

18, 190[illegible]

Per 22.190

PAID AT	AMOUNT	SENT TO	DISPOSITION,
Springfield	176.40	Chicopee	Springfield Sept 8

ex 23.190

[illegible]



# EQUITABLE NATIONAL BANK

## COLLECTION REGISTER

RECEIVED	OUR NO.	PAID TO	PAYABLE AT	COLLECTED FOR	MEMBER'S NO.	DATE	TIME	DUE	AMOUNT	PROTEST	REMARKS
Sept 11	1471	J. C. Mudgett		First Natl Bank Boston	14571	Sept 15	Sept 15	Sept 15	150	No	Paid
	1472	Wm. C. Foster	Equitable	First Natl Bank Boston	14572	Sept 23	10:00	Sept 23	312.24	Yes	
	1473	J. C. Brown & Son	Wetmore	First Natl Bank Boston	14573	Sept 23	10:00	Sept 23	12.00	Yes	
	1474	Equitable National Bank	Equitable	Equitable National Bank	14574	Sept 23	10:00	Sept 23	210.00	Yes	
	1475	Wm. C. Foster		Bankers Chicago	2746	Sept 23	10:00	Sept 23	179	No	Paid
	1476	City Bank		Chicago Springfield	4571	Sept 27	Sept 27	Sept 27	20.50	No	Paid
	1477	Wm. C. Foster	Springfield	Springfield	4572	Sept 27	Sept 27	Sept 27	17.00	Yes	
	1478	E. J. Robert & Son		Springfield	1164	Sept 27	Sept 27	Sept 27	14.12	No	

FIG. 19

No. 8 EQUITABLE NATIONAL BANK Sept. 8, 190[illegible]

**FIG. 21**

collection items are recorded under the dates on which they are due. A certain space in the tickler is allotted to each day in the year, so that a record of the paper due at any time may be seen by reference to the space headed with the required date. The headings of the columns are much like those of the collection register, but the arrangement of the columns themselves is different. The column Sent To

## No. 8

## EQUITABLE NATIONAL BANK

CLEARING HOUSE DELIVERY STATEMENT *Sept. 9, 190*

NO.	BANKS	AMOUNT	RECEIVED
1	Hartford National Bank	1539.66	
2	Farmers and Mechanics National Bank	904.90	
3	National Exchange Bank	631	
4	State Bank	3663.5	
5	Connecticut River Banking Co.	421.16	
6	City Bank	1567.0	
7	Charter Oak National Bank	1318.12	
8	Equitable National Bank		
9	First National Bank	136.524	
10	Arms National Bank	2623.31	
11	American National Bank	1323.50	
12	Phoenix National Bank	342.50	
		11072.39	

FIG. 22

is for entries showing where and when items due at outside points are sent away for collection. The nature and date of the final disposition of each item listed are entered in the Disposition column.

The clearing-house register, Fig. 21, is a book used for recording items sent to the clearing house. Each bank that is a member of the Clearing House Association is given a column in the register. Every other page is perforated so that it may be torn out, and so that the column for each bank may be detached for use as a memorandum slip to accompany the

items listed on it. The record in the register is made by means of a carbon sheet. Items are listed by the collection clerk as fast as they are turned over from the other departments.

The **clearing-house delivery statement**, Fig. 22, is a memorandum statement made up from the clearing-house register, and shows the total amount of items taken to the clearing house. The footing of each column in the register is placed in the Amount column opposite the name of the bank. The statement is taken to the clearing house by the delivery clerk and when the checks are delivered each settling clerk signs in receipt opposite the name of his bank.

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#### TRANSACTIONS

**10.** The following items were received today, Tuesday, September 8, 190 , for collection:

From First National Bank, Boston, collection No. 13,151, sight draft on T. C. Nesbit, dated Sept. 5, 190 , listed No Protest, \$50.

From Traders National Bank, Washington, D. C., collection No. 654, note of William E. Foster, dated Aug. 23, 190 , 1 month, payable at our bank, listed Protest, \$362.70.

From National Bank of Commerce, New London, Conn., no collection number given, note of J. S. Bovee & Son, dated July 22, 190 , 2 months, payable at Aetna National Bank, city, listed Protest, \$1,200.

From Eastern National Bank, New York, collection No. 16,729, note of Excelsior Iron Works, dated Jan. 18, 190 , 8 months, payable at our bank, listed Protest, \$210.50.

From Bankers National Bank, Chicago, collection No. 2,741, sight draft on Milton H. Arbuckle, dated Sept. 3, 190 , listed No Protest, \$170.

From Chicopee National Bank, Springfield, Mass., collection No. 4,871, sight draft on City Printing Co., dated Sept. 7, 190 , listed No Protest, \$28.50.

From S. B. Embleton, note of Milton Haynes & Co., dated Aug. 22, 190 , 1 month, payable at Third National Bank, Springfield, Mass., listed Protest, \$176.40.

From Citizens National Bank, Worcester, Mass., collection



No. 11,643, sight draft on C. A. Probst & Son, dated Sept. 5, 190 , listed No Protest, \$141.20.

Each of these items was given our collection number and entered in the collection register. The drafts were turned over to the note teller for collection.

Our numbers 1,671 and 1,675 were paid.

The City Printing Co. refused to accept 1,676, and not being subject to protest, it was returned to the sender.

The note-teller's messenger found no one authorized to accept drafts at the office of C. A. Probst & Son, so he left a notice.

No. 1,677 was sent to Chicopee National Bank, Springfield, for collection and remittance with instructions to protest if not paid.

The notes were entered on the collection tickler under the dates due.

During the day the various departments of the bank have turned over the following clearing-house checks to be prepared for tomorrow's delivery, and they were entered on the clearing-house register.

Checks from receiving teller:

Aetna National Bank,	400.00
Hartford National Bank,	5.00
Farmers and Mechanics National Bank,	984.90
National Exchange Bank,	631.00
Aetna National Bank,	1,800.00
American National Bank,	1,048.50
Phoenix National Bank,	30.00
Charter Oak National Bank,	261.50
Aetna National Bank,	146.10
Aetna National Bank,	134.18
Connecticut River Banking Co.,	421.10
City Bank,	156.70
Hartford National Bank,	160.00

Checks from paying teller:

American National Bank,	275.00
State Bank,	250.00

Hartford National Bank,	75.50
First National Bank,	1,050.50
Phoenix National Bank,	12.50

Items from note teller:

Note certified by Charter Oak National Bank,	1,000.00
Note certified by Phoenix National Bank,	300.00
Note certified by Hartford National Bank,	1,150.00

Checks from mail clerk:

First National Bank,	314.74
Charter Oak National Bank,	56.62
Hartford National Bank,	111.20
State Bank,	116.35
Aetna National Bank,	143.10
Hartford National Bank,	37.90

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#### NOTE TELLER

11. The note teller ranks third as an employe of the bank. His duty is to look after making all discounts and loans, to compute discount and interest, and to receive payment for all notes or other items due. In this bank, he collects non-clearings as well. The books in his charge are the *discount register*, *discount tickler*, *collateral-loan register*, *discount-and-loan ledger*, *note-teller's scratcher*, and *note-teller's settlement*.

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#### BOOKS AND FORMS

12. A time note, Fig. 23, is the written promise of the maker to pay a certain sum at a certain place at a given time. When due, it is charged to the account of the maker in the same manner as a check would be. Notes held by one bank and payable at another in the same place, are, when both banks are members of the clearing house, certified by the paying for the holding bank, and sent through the clearing house like checks.

A demand collateral note, Fig. 24, is one secured by the deposit of securities with the bank, and which is due

whenever payment is demanded. Unlike a discounted note, from which the bank deducts the interest in advance, the interest on a note of this kind is paid monthly, or at the time of the note's payment, according to the size of the loan.

The **maturity notice**, Fig. 25, is a form used to advise the maker of a note of the date of its maturity. It is sent out a number of days before the note is due. Banks are not obliged to send such a notice, but it is customary for many of them to do so.

The **discount advice**, Fig. 26, is a form used to advise a customer of the proceeds of paper left for discount and credited to his account. The advice is made up from the discount register, and the name of the maker, the amount,

\$500. <sup>00</sup>	Hartford, Conn., <u>Sept. 8,</u> 190 <u>0</u>
<u>Three months</u> after date, for value received I promise	
to pay to the order of <u>Equitable National Bank</u>	
<u>Five hundred &amp; no/100</u>	DOLLARS
at THE EQUITABLE NATIONAL BANK	
No. <u>46.</u> Due <u>Dec. 8.</u>	<u>Noratio Kerns</u>

FIG. 23

date due, time for which the note is discounted, rate, discount, and proceeds are all entered. If the note is due outside the city and there is a charge for collecting it when due, the amount of the charge is also entered.

The **discount register**, Fig. 27, is a book employed to record the notes discounted each day by the bank. When a note is discounted it is given a number, which, together with the names of the maker, indorser, and person for whom it is discounted, is entered in the register. In addition to this, entry is made of the date of the note, the time for which it is to run, the time for which discount is computed, the date due, the rate, the amount, discount, proceeds, and the place where it is payable. At the close of the day, the

\$1000. Hartford, Conn. Sept 8 190  
On demand after date for value received I promise to pay to the Equitable Natl Bank or order, at the  
**EQUITABLE NATIONAL BANK,**  
 HARTFORD, CONN.  
One thousand & no Dollars with interest at the rate of 5 per cent.  
2 Chesapeake & Ohio Bonds  
 per annum until paid, having deposited herewith the following property, as collateral security for the payment of this note,  
 and also as collateral security for all other present or future demands of any or all kind of the holder hereof against the  
 undersigned, whether created directly or acquired by assignment, whether absolute or contingent, whether due or not due, to wit:

and do hereby give full authority to the holder hereof to sell the whole or any part thereof, or substitutes therefor or additions thereto, at any broker's board, or at public or private sale, at the option of the holder hereof, upon or after the non-performance of this promise, or upon or after the non-payment of any of the demands aforesaid, and without notice of intention to sell or of the time or place of sale, and without demand of payment of this note or of any of the said demands; and do hereby agree that if in the opinion of the holder hereof the value of the said collateral security or any substituted or hereafter deposited, should at any time be less than the amount dollars the undersigned shall upon demand furnish such further security as will be satisfactory to the holder hereof, and in case of failure so to do, this note thereupon at the option of the holder hereof shall become due and payable forthwith, and then or thereafter the whole or any part or parts of said collateral security or substitutes or additions, may be sold as herein provided, at the option of the holder hereof; and do hereby give full authority to the holder hereof in case of any sale or other disposition of any of the collateral security aforesaid, after deducting all expenses of collection and sale, to apply the residue of the proceeds to pay any or all of the said demands in whole or in part, due or not due, including this note, making a rebate of interest upon demands not due. And in case of a deficiency, the undersigned agrees to pay to the holder hereof the amount thereof forthwith after such sale, with legal interest.

It is also agreed and understood that upon any sale of any of said collaterals the holder hereof may become the purchaser thereof, and hold the same thereafter in his, their, or its own right absolutely free from any claim of the undersigned. It is further agreed and understood that no delay on the part of the holder hereof, in exercising any rights hereunder, shall operate as a waiver of said rights.

J. D. Gordon

FIG. 24

**Amount, Discount, and Proceeds columns are footed, and, if the sum of the discount and proceeds equals the amount of paper discounted, the entries are correct. A debit ticket**

EQUITABLE NATIONAL BANK  
Hartford, Conn., Sept. 19 90  
Mrs. P. C. Duggan.  
Your note of \$ 175.00 will be due at  
this bank Sept. 15 1900  
Very respectfully,  
J. E. ALLARD, Cashier  
C.E.C.

**FIG. 25**

containing the total of the Amount column is made for the Discount account in the general ledger, and a credit ticket of the total discount is made for the Interest and Discount

[illegible]

**FIG. 28**

account. The accounts of the depositors for whom discounts are made are credited from tickets made out at the time of the transaction.

The **discount tickler**, Fig. 28, is a book in which discounted notes are recorded under the dates on which they are due. The method of entry is very much like that of collection notes in the collection tickler. The amount of each note entered is placed in the Amount Due column. No entry is made in the Amount Paid column until the arrival of the date with which the space is headed. The amounts of all notes disposed of on that day are entered in this column, which is footed at the close of business and a credit ticket of the total made for the Discounts account. Entry of each note's disposal is also made in the Disposition column.

The **collateral-loan register**, Fig. 29, is a book used to record the collateral loans made each day. When a collateral loan is made, it is given a number, and this, with the date, name of the maker, time, rate, and amount, is entered in the register. A detailed record of the collateral and its value is also entered. When interest is paid, the amount is entered in the Interest column and when the note is paid, in whole or in part, entry is made in the Amount Paid column, and the date is placed under Date of Payment. When collateral is changed, this fact is noted in the Collateral column, and a record of the substituted security is made.

The **discount-and-loan ledger**, Fig. 30, is a book kept for the purpose of showing the amount of notes for which each customer of the bank is liable, either as maker or indorser. A separate page is given to each customer for whom paper is carried. When a discount or loan on which the customer is liable is negotiated, entry is made of the date in the Date column, of the number in the Number Discounted column, and the date of maturity in the Due column. If the customer for whom the note is discounted is its maker, his name is entered in the Maker column, and the amount under As Maker or Discounter in the Discounted column. If the note of another is discounted for him, the name of the maker is entered in the Maker column, and his name in the Indorser column. The amount is entered under As Indorser in the Discounted column. In either case, the amount is carried to



# EQUITABLE

DISCO

DATE 190	NUMBER	MAKER	DISCOUNTED FOR	DISCOUNTED
Sept 8	12301	Noratio Kears		Noratio Kears
	12302	P. C. Ruhl & Son	C. A. Lamson	C. A. Lamson
	12303	Fred J. Thatcher	P. C. Duggan	P. C. Duggan
	12304	J. K. Leicester	J. B. Felt & Co.	J. B. Felt & Co.
	12305	W. C. Gilson & Co.		W. C. Gilson
	12306	Edward M. Beach	J. C. Hayden	J. C. Hayden
	12307	John Robertson's Sons	J. C. Chusston	J. C. Chusston

# EQUITABLE

DISCO

Sept 12

DATE DISCOUNTED	NUMBER	MAKER	DISCOUNTED FOR	WHERE PAID
Mar 5	10291	L. B. Embleton	L. B. Embleton	EQUITABLE
Apr 8	10376	W. C. Gilson & Co.	W. C. Gilson & Co.	EQUITABLE
May 16	11644	B. Washburn & Sons	C. M. Coates	Charters
Aug 5	11990	W. C. Fulton	F. T. Peabody	EQUITABLE
Aug 7	11987	C. F. Folke	Wm. E. Foster	EQUITABLE

Sept 12

DATE DISCOUNTED	NUMBER	MAKER	DISCOUNTED FOR	WHERE PAID
Apr 11	10340	B. A. Adams	B. E. French	Phoenix



NATIONAL BANK

REGISTER

	DATE	TIME	TIME DIS.	DUE	RATE	AMOUNT	DISCOUNT	PROCEEDS	PAYABLE AT
ch	Sept 5	3mo	3mo	Dec 8	6	500	7.50	492.50	Equitable
	Aug 25	mo	3-24	Jan 2	6	470	5.93	464.07	First New York
	Sept 5	4mo	4mo	Jan 8	6	250	.5	249.5	Equitable
	Jul 8	6mo	4mo	Jan 8	5	2000	33.33	1966.67	Petna
Co	Sept 5	5mo	5mo	Feb 8	6	300	7.50	292.50	Equitable
	Sept 5	2mo	2mo	Nov 8	6	175	17.5	173.25	Hartford
	Aug 20	mo	1-12	Oct 20	6	150	1.05	148.95	Commerce New London
						3845	6.506	3779.94	

27

NATIONAL BANK

TICKLER

Per 8, 190

AMOUNT DUE	AMOUNT PAID	SENT TO	DISPOSITION
500	500		Charged S.B.E. Sept 8
300	300		Renewed Sept 8
1000	1000		Certified Charter <sup>Box</sup> Sept 8
200	200		Protested Sept 8
450	450		Due Sept 7 Chq. C.F.F. Sept 8
	2450		

Per 8, 190

AMOUNT DUE	AMOUNT PAID	SENT TO	DISPOSITION
275			

28





Korativio Hernd

DATE	NUMBER DISCOUNTED	NUMBER PAID	MAKER	INDORSER	DUE	AS SALES OR DISCOUNTS			AS PAYMENTS		
						DISCOUNTED	PAID	BALANCE	DISCOUNTED	PAID	BALANCE
Aug 2 1894			Korativio Hernd		Aug 6	441		441			
Aug 2 1894			J. D. Wright & Co.	Korativio Hernd	Nov 2						1000
Aug 2 1894			J. D. Simmons	Korativio Hernd	Sept 2						1300
Sept 2		1174					441	0			
Sept 2		11944									
Sept 2 1894			Korativio Hernd		Dec 8	500		500		300	1000

**Fig. 80**

the proper Balance column and added to the last amount shown there. When a note is paid, entry is made of the date, the number in the Number Paid column, and the amount in the proper Paid column. The amount in the proper Balance column is reduced by each amount paid, so that at any time the customer's outstanding liability as either maker or indorser may be seen by referring to the last balance in either column.

A **protested note**, Fig. 31, is one that has not been paid at maturity and that has been protested by a notary public, or other authorized public officer, for non-payment. Protest is a legal procedure in which payment of the note is formally

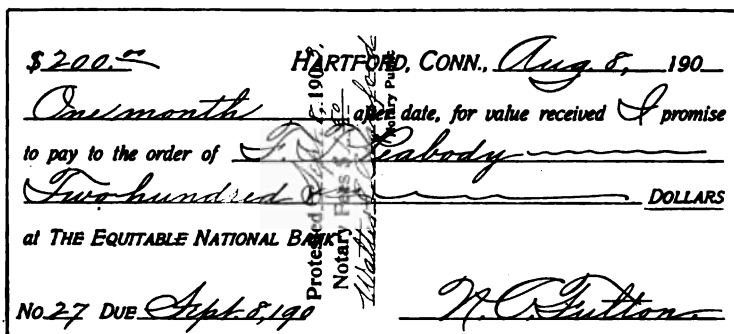


FIG. 31

demand of the bank, and, after refusal, notice is delivered to the indorsers. A record of the protest is made on the face of the instrument by the notary, as shown in the illustration.

The **certificate of protest**, Fig. 32, is the legal form used by the official making the protest. After being completed it is attached to the note.

The **protest notice**, Fig. 33, is a formal notice filled out by the officer making the protest and sent to each of the indorsers of the protested paper.

The **messenger's memorandum**, Fig. 34, is a form attached by the note teller to each item taken out for collection by the messenger. All the spaces except that headed

# CERTIFICATE OF PROTEST

UNITED STATES OF AMERICA,  
STATE OF CONNECTICUT, } ss.  
COUNTY OF HARTFORD,

On the Eighth day of September, in the year of our Lord, one thousand nine hundred and 1901, at the request of the Equitable National Bank of Hartford, the subscriber, a notary public of the State of Connecticut, duly commissioned and sworn, did present the Promissory note hereto annexed, at the Equitable National Bank in the City of Hartford (being the place where the said Promissory note is payable), and demanded payment thereof, which was refused.

~~Whereupon~~, I, the said notary, at the request aforesaid, did Protest, and by these presents do publicly and solemnly protest, as well against the maker and indorsers of the same as against all others whom it doth or may concern, for exchange, reexchange, and all costs, damages, and interest already incurred and to be hereafter incurred for want of payment of said Promissory note.

And I do further Certify that on the same day and year above written due notice of the foregoing protest was given to the several indorsers thereon by depositing notices in the Post Office at Hartford, Conn., postage paid directed as follows:

J. V. Peabody, 1216 Locust St., Hartford, Conn.

each of the above named places being the reputed place of residence of the indorser to whom the notice was directed and the Post Office nearest thereto.

In Testimony Whereof I have hereunto set my hand and affixed my seal at the City of Hartford aforesaid.

Walter C. Peabody  
Notary Public.

[SEAL]

Presented are filled in before the item is given to the messenger. After presenting the item, the messenger places his initials in the Presented space and returns the memorandum with the item, or, if it is paid, with the proceeds.

The draft-presentation notice, Fig. 35, is a form used by the bank to notify a drawee that a draft is being held for

**EQUITABLE NATIONAL BANK**

Hartford, Conn., Sept. 8, 190

Mrs. F. D. Pabody,  
Hartford, Conn.

Take notice that a ~~note~~ made by  
N. C. Fulton,

drawn on \_\_\_\_\_

for \$ 200.00 dated Aug. 8, 190

payable one month after date

at the EQUITABLE NATIONAL BANK

and indorsed by you, was this day PROTESTED  
for non-payment, and that the holders look to  
you for the payment thereof, payment having  
been demanded and refused.

Very respectfully  
Walter C. Crawford,  
Notary Public

FIG. 35

him. It is used when he is absent from his place of business when the draft referred to in it was presented for acceptance or payment.

The note-teller's scratcher, Fig. 36, is a sheet or book used to record the transactions of the day at the note-teller's window. When a loan or discount is made for a

depositor, his name is written under Deposits Credited and the proceeds entered in the Loans and Discounts column. At the same time the amount of discount is entered in the Interest and Discount column. When an item collected for a customer is paid, his name is entered as

### TO MESSENGER

*This slip must be returned to the Note Teller attached to the item, if unpaid. If paid, to the proceeds.*

RE- TURNED	CASH DEPOSIT	ACCOUNT OF	AMOUNT	PAYER	PRESENTED
✓	1671	1st Boston	50	J. C. Miskit	J. R. P.

FIG. 34

before and the amount is placed in the Collections column. Any charges for collection are entered in the Collection and Exchange column. Under the heading Correspondents on the credit side of the scratcher, are entered the

<b>EQUITABLE NATIONAL BANK</b>	
Hartford, Conn., <u>Sept. 5, 190</u>	
<u>C. A. Probst &amp; Son</u>	
A <u>sight</u> draft on you for \$ <u>1671.20</u> drawn by <u>Dusky Furniture Co</u> has been regularly presented at your office for payment. It will be held at this bank until the close of banking hours today.	
J. E. ALLARD, Cashier By <u>T. J. Foreman</u>	

FIG. 35

proceeds of collections made for banks having accounts in the individual ledger, and the amounts of drafts drawn in payment of collections made for other banks. Under Non-Clearings is entered the amount of non-clearing-house checks collected during the day. The Sundries column





## NOTE TELLER

**DR.**

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Sept. 8, 190..

**CR.**

DEPOSITS CREDITED			INTEREST AND DISCOUNT	COLLECTION AND EXCHANGE	CORRESPONDENTS	
	LOANS AND DISCOUNTS	COLLECTIONS				
Noratio Kerns	492.50		7.50		<del>Eastern-New York</del>	150.60
E.P. Lamson	46.07		8.93		<del>First-Boston</del>	1.50
P.B. Duggan	245		5		" "	.50
J.B. Felt & Co.	1966.67		3.33			
F.P. Gordon	1000					
W.C. Gilman & Co.	292.50		7.50			
J.H. Fisher & Co.		300				
James Myers		100				
Remittance-Netherlands				25		
J.E. Hayden	173.25		17.5			
J.C. Chusleton	148.95		10.5			
Anast. Porter	2000					
Remittance-Chicago				25	Draft-Eastern N.Y.	74.75
Louis B. Fratelli		146.50			" " "	169.75
J.B. Felt & Co.		1039.50		1		
W.H. Gullitt & Co.		47.5				
						159.510
					NON-CLEARINGS	
					Collected	1228.09
					SUNDRIES	
					Paying teller	220.15
					Receiving teller	421.18
					Mail clerk	364.40
	6779.94	2061.30	65.06	150		10025.73



is used for a memorandum of the amounts of such checks turned over for collection by the paying and receiving tellers and the mail clerk, and for items not belonging in the other special credit columns. On the debit side, under Currency, is entered the cash received in payment of notes, drafts, and non-clearing-house checks collected during the day. Notes and drafts charged to depositors are entered under Equitable. Notes payable at and certified by other clearing-house banks and checks on such banks received in payment of collections are entered under Clearings. Checks on outside banks received in payment of collections, and advices of credits for collections made by correspondents are entered under Correspondents. The amount of non-clearings checks left uncollected from the previous day and the amount of such checks turned over for collection during the day are entered under Non-Clearings on the debit side. The Sundries column is used for entries not belonging in any of the special debit columns.

The **note-teller's settlement**, Fig. 37, is a sheet or book used to prove the day's transactions at the note-teller's window. On the credit side of the settlement, the entries opposite the items Loans and Discounts, Collections, Interest and Discount, Collection and Exchange, Correspondents, and Sundries are taken from the footings of the columns on the credit side of the scratcher. The item Non-Clearings (Balance) is the balance of non-clearings checks unpaid from the previous day. Opposite Discounts is entered the footing of the Amount Paid column in the discount tickler, and the item Loans represents the collateral loans paid during the day. On the debit side, the entries opposite Checks on Equitable, Clearings, Correspondents, and Sundries, represent the footings of these columns on the debit side of the scratcher. The item Non-Clearings (Unpaid) is the amount of non-clearings checks remaining uncollected at the close of business, and is the difference between the totals of the debit and credit Non-Clearings columns on the scratcher. Opposite Discounts is entered the footing of the Amount column of the discount register; and opposite Loans the amount of

loans made during the day, as shown by the collateral-loan register. Cash on Hand shows, in detail, the amount of cash actually on hand at the close of business, the total of which should equal the footing of the Currency column on

Note Teller's Settlement <i>Sept. 8, 190</i>				Cr.			
Dr.							
Checks on Equitable	1,500.60			Credited depositors:			
Clearings	246.50			Loans and discounts	4,779.74		
Correspondents	1,662.80			Collections	2,261.80		
Non-clearings (unpaid)	187.75			Interest and discount	65.06		
Discounts	384.5			Collection and exchange	1.50		
Loans	3,000			Correspondents	1,585.10		
Sundries <i>Patents</i>	2.00			Non-clearings (Balance)	410.11		
				Discounts	246.50		
				Loans	0		
				Sundries	1,005.73		
Cash on hand:							
Gold coin	200						
Gold certificates	0						
National bank notes	670						
Legal tenders	440						
Silver certificates	144						
Silver dollars	48						
Fractional silver	1740						
Nickels and cents	369						
	1,523.09	1,523.09					
		14,368.74					14,368.74

FIG. 37

the debit side of the scratcher. If the footings of the debit and credit sides of the settlement are equal, the work is considered correct.

#### TRANSACTIONS

13. The following were the transactions in the note-teller's department on Tuesday, September 8, 190 .

Notes discounted:

Horatio Kerns, \$500, 3 months, 6 per cent., discount \$7.50, proceeds \$492.50.

F. C. Rihl & Son, discounted for C. A. Lamson, \$470, 3 months 24 days, 6 per cent., discount \$8.93, proceeds \$461.07.

Fred J. Thatcher, discounted for P. C. Duggan, \$250, 4 months, 6 per cent., discount \$5, proceeds \$245.

J. K. Leicester for J. B. Felt & Co., \$2,000, 4 months, 5 per cent., discount \$33.33, proceeds \$1,966.67.

Loaned F. P. Gordon \$1,000 on demand at 5 per cent. Collateral: 12 Chesapeake & Ohio bonds at 111.

The discount tickler shows the following notes to be due:

S. B. Embleton, \$500. Charged his account.

N. C. Gilson & Co., \$300. Charged their account.

B. Washburn & Sons, \$1,000, payable at Charter Oak National Bank, city. Certified by that bank and sent through the clearing house.

C. T. Folk, \$450, due Sept. 7, but carried over and charged his account today.

The collection clerk turned over the following notes for payment:

Fremont Stove Co., \$150.60, collected for Eastern National Bank, New York.

Sampson & Bliss, \$300, collected for J. H. Steele & Co. Payable at Phoenix National Bank, city. Certified by that bank and sent through the clearing house.

Newton D. Foye, \$1,150, collected for First National Bank, Boston. Payable at Hartford National Bank, city. Certified by that bank and sent through the clearing house.

N. C. Emerson & Son, \$100, collected for James Myers. Peter Bramson, \$75, collected for Fourth National Bank, Waterbury, Conn. Paid in cash. Sent New York draft \$74.75 (exchange \$.25) in payment.

Notes discounted:

Renewal of N. C. Gilson & Co. (shown above), \$300, 5 months, 6 per cent., discount \$7.50, proceeds \$292.50.

Edward M. Beach, discounted for J. C. Hayden, \$175, 2 months, 6 per cent., discount \$1.75, proceeds \$173.25.

Peter Robinson's Sons, discounted for J. C. Cheeseton, \$150, 1 month 12 days, 6 per cent., discount \$1.05, proceeds \$148.95.

Loaned Anna P. Proctor \$2,000 on demand at 5 per cent. Collateral: 25 U. S. 3 per cent. bonds at 108.

Received from the collection clerk:

Sight draft on T. C. Nesbit, \$50, collected for First National Bank, Boston. Paid in cash.

Sight draft on Milton H. Arbuckle, \$170, collected for Bankers National Bank, Chicago; paid in cash. New York draft \$169.75 (exchange \$.25) sent in payment.

Received from Canal National Bank, Portland, Me., draft on Chase National Bank, New York, \$146.80, as proceeds of a note collected for Lucy B. Fostelle.

Received from First National Bank, Baltimore, draft on Importers and Traders National Bank, New York, \$1,040.50, as proceeds of a note collected for J. B. Felt & Co. Our exchange charge \$1.

Advice from First National Bank, Boston, that our account is credited \$475 on note collected for W. H. Gillette & Co., due Sept. 7.

Note of N. C. Fulton, \$200, protested for non-payment. Will be charged tomorrow to F. T. Peabody, for whom discounted.

The non-clearings left over from yesterday amounted to \$410.11; those received for collection today were: Paying teller, \$220.15; receiving teller, \$421.18; mail clerk, \$364.40. During the day \$1,228.09 in currency was received in payment of non-clearings collected.

---

#### MAIL CLERK

14. The mail clerk ranks last in importance among the employes of the bank, standing next to the collection clerk. It is his duty to attend to all incoming and outgoing cash mail items. He makes remittances, fills out bank drafts, and attends to advices. In addition to this, he



has charge of the letter files and stationery. The books in his charge are the *draft register*, *mail-clerk's scratcher*, and *foreign scratcher*.

## BOOKS AND FORMS

**15. The remittance letter, Fig. 38, is a form of letter used by banks to remit items to other banks for credit.**

[illegible]

**Fig. 88**

Cash items, as distinguished from items sent for collection, are listed in such a letter.

The **advice card**, Fig. 39, is a postal-card form used to advise the receipt and credit of remittance letters, as well as the receipt and entry for collection of collection items.

The **credit-remittance letter**, Fig. 40, is another form of letter used to remit cash items to other banks for credit. This form is the one employed by this bank, while that shown in Fig. 38 was used by one of its correspondents.

The **draft register**, Fig. 41, contains a record of the drafts drawn by the bank, one being used for each of the correspondent banks on which drafts are drawn. When a draft is filled out, entry is made of the date, the name of the person to whom it is payable, the amount, exchange charges, and a memorandum of the purpose for which it is drawn.

EQUITABLE NATIONAL BANK				
Hartford, Conn., <u>Sept. 5, 1900</u>				
Gentlemen: Your favor of the <u>7</u> instant received.				
We credit your account	<u>Letter</u>	\$	<u>114</u>	<u>60</u>
We enter for collection				
Very respectfully, J. E. ALLARD, Cashier				

FIG. 39

At the close of business, the footing of the Amount column is carried to the Day Total column, and a credit ticket is made out for the account of the proper bank in the individual ledger.

The **draft advice**, Fig. 42, is a form for advising a correspondent bank of the drafts drawn on it during the day. The number and amount of each draft are copied from the draft register at the close of business and the form is mailed to the correspondent. This is done to better afford that bank a check against the amount of each draft when it is presented for payment.

The **mail-clerk's scratcher**, Fig. 43, is a sheet or book for recording the transactions with correspondent banks



**EQUITABLE NATIONAL BANK**  
**DRAFTS DRAWN ON EASTERN NATIONAL BANK, NEW YORK**

DATE	AMOUNT	IN FAVOR OF	AMOUNT	DATE TOTAL	CHECK NO.
April 1	14,301	James B. Walsh	47.5		45 Cash - C.B.N.
	14,302	Fourth Natl. Bank, Waterville	747.5		25 Collection - Mrs. B. B. B.
	14,303	Bankers Natl. Bank, Chicago	169.75		25 " Milton G. B. B.
	14,304	Second Natl. Bank, New Haven	1622.94	234244	Letter
	14,305				
	14,306				
	14,307				
	14,308				
	14,309				
	14,310				
	14,311				
	14,312				
	14,313				
	14,314				

FIG. 41



Sept. 8. 190-

MAIL CLERK

८

[illegible]

EQUITABLE NATIONAL BANK

Sept. 5, 190

SENT TO	RECEIVED FROM	DRAWN ON	LOCATION	AMOUNT
Eastern National Bank	W. H. Gullett & Co.	First	Chattanooga	1564
New York	L. T. Peabody	Chase	N. Y.	1046.61
	A. M. Norton & Co.	Fourth	N. Y.	5000
	J. J. Hatcher	Bankers	Chicago	957.75
	"	Tradersmen	Phila.	520
	"	Tale	New Haven	181
	Empire Gun Co.	Hanover	N. Y.	675
	Montgomery & Co.	Planters	Richmond	571.00
	S. R. Emblenton	Central Trust Co.	Camden	90
	J. L. Larned	Chase	N. Y.	155.75
	T. R. Cookson	City	Bridgeport	3710
	Leonard Kirsch	Security	Secaucus City	850
	Waters & Wells	Atlantic	Jacksonville	327.35
	Collection	Chase	N. Y.	144.00
	Collection	Importers & Traders	N. Y.	1046.50
				13207.34
First National Bank	James Myerson	First	Springfield	194.10
Boston	"	Merchants	Boston	287.50
	S. R. Emblenton	East Cambridge	East Cambridge	501.10
	"	Commerce	New London	100
	S. H. Prescott	Chicopee	Springfield	645
	E. A. Wilson	Commerce	New London	6550
	J. H. Parker	First	Boston	25
				1518.20
First National Bank	Knyer & Phila.	First	Middletown	116.35
Middletown	City, Springfield	"	"	1046.44
				1162.79
First National Bank	Webster, Boston	First	Litchfield	167.75
Litchfield				
Windham National Bank	Second, Boston	Windham	Williamantic	54.11
Williamantic				
Thomaston National Bank	Second, Boston	Thomaston	Thomaston	319.14
Thomaston				

FIG. 44

## TRANSACTIONS

**16.** The following were the transactions in the mail-clerk's department on Tuesday, September 8, 190 :

Checks received from regular correspondent banks:

Kenyon National Bank, Philadelphia:

C. M. Coates,	440.20
Security Trust Co.,	14.60
First National Bank, Middletown,	116.35
First National Bank,	314.74
J. H. Steele & Co.,	167.28
Charter Oak National Bank,	56.62
B. E. French,	37.81

Total,	1,147.60
--------	----------

Credited to its account.

National Webster Bank, Boston:

J. C. Cheeseton,	370.10
First National Bank, Litchfield,	167.75
Hartford National Bank,	111.20
D. C. Fulgham Co.,	140.16
J. B. Farnum,	416.78

Total,	1,205.99
--------	----------

Sent in payment draft on First National Bank, Boston,  
\$1,204.99 (exchange \$1).

Second National Bank, New Haven:

Windham National Bank, Willimantic,	54.11
State Bank,	116.35
Eastern Safe Deposit Co.,	349.80
N. C. Emerson & Son,	219.54
Aetna National Bank,	143.10
Thomaston National Bank, Thomaston,	319.14
S. B. Embleton,	421.90

Total,	1,623.94
--------	----------

Sent in payment draft on Eastern National Bank, New  
York, \$1,622.94 (exchange \$1).



## City National Bank, Springfield:

Fremont Stove Co.,	141.20
Hartford National Bank,	37.90
First National Bank, Middletown,	1,046.44
J. B. Felt & Co.,	160.00
James Myers,	411.50
Total,	<u>1,797.04</u>

Credited to its account.

Entered on foreign scratcher and sent letters listing out-of-town checks to:

## Eastern National Bank, New York:

First National Bank, Chattanooga, indorsed by W. H. Gillette & Co.,	1,564.00
Chase National Bank, New York, indorsed by F. T. Peabody,	1,040.61
Fourth National Bank, New York, indorsed by A. S. Newton Co.,	5,000.00
Bankers National Bank, Chicago, indorsed by F. J. Thatcher,	987.75
Tradesmens National Bank, Philadelphia, indorsed by F. J. Thatcher,	540.00
Yale National Bank, New Haven, indorsed by F. J. Thatcher,	181.00
Hanover National Bank, New York, indorsed by Empire Gun Co.,	675.00
Planters National Bank, Richmond, indorsed by Fremont Stove Co.,	571.40
Central Trust Co., Camden, indorsed by S. B. Embleton,	90.00
Chase National Bank, New York, indorsed by J. S. Larned,	155.75
City Bank, Bridgeport, Conn., indorsed by T. B. Cookson,	37.18
Security National Bank, Sioux City, indorsed by Leonard Hirsch,	850.00
Atlantic National Bank, Jacksonville, indorsed by Newton & Wells,	327.35

Chase National Bank, New York, received for a collection,	146.80
Importers and Traders National Bank, New York, received for a collection,	1,040.50
Total,	<u>13,207.34</u>

**First National Bank, Boston:**

First National Bank, Springfield, indorsed by James Myers,	194.10
Merchants National Bank, Boston, indorsed by James Myers,	287.50
East Cambridge National Bank, East Cambridge, indorsed by S. B. Emble- ton,	501.10
Bank of Commerce, New London, indorsed by S. B. Embleton,	100.00
Chicopee National Bank, Springfield, indorsed by S. H. Wescott,	645.00
Bank of Commerce, New London, indorsed by C. A. Wilson,	65.50
Check on itself, indorsed by J. A. Parker,	25.00
Total,	<u>1,818.20</u>

**First National Bank, Middletown:**

Check on itself, indorsed by Kenyon National Bank, Philadelphia,	116.35
Check on itself, indorsed by City National Bank, Springfield,	1,046.44
Total,	<u>1,162.79</u>

**First National Bank, Litchfield:**

Check on itself, indorsed by National Webster Bank, Boston,	167.75
--	--------

**Windham National Bank, Willimantic:**

Check on itself, indorsed by Second National Bank, Boston,	54.11
---	-------

Thomaston National Bank, Thomaston:

Check on itself, indorsed by Second National Bank, Boston,	319.14
---	--------

The following drafts were drawn during the day:

On Eastern National Bank,

No. 14,301, payable to James B. Walsh, for cash from J. B. Walsh, exchange \$.48,	475.00
---	--------

No. 14,302, payable to Fourth National Bank, Waterbury, for collection for Peter Bramson, exchange \$.25,	74.75
---	-------

No. 14,303, payable to Bankers National Bank, Chicago, for collection for Milton Arbuckle, exchange \$.25,	169.75
--	--------

No. 14,304, payable to Second National Bank, New Haven, for letter, ex- change \$1,	1,622.94
---	----------

Total,	2,342.44
--------	----------

On First National Bank, Boston:

The day total of drafts drawn (draft register not shown) was	1,954.99
---	----------

#### INDIVIDUAL-LEDGER BOOKKEEPER

17. The individual-ledger bookkeeper ranks fifth in importance among the employes of the bank, standing next to the general-ledger bookkeeper. He has charge of all the accounts of depositors and, in this bank, the accounts of correspondent banks. He is brought into personal contact with depositors when any question arises regarding accounts, and it is his duty to balance pass books and return paid checks and other items. The *individual ledger* is in his charge.

#### BOOKS AND FORMS

18. The debit ticket, Fig. 45, is a form used as a memorandum to charge accounts in the bank ledgers.

The credit ticket, Fig. 46, is a form used as a memorandum to credit accounts in the bank ledgers.

The overdraft notice, Fig. 47, is a form used to notify a depositor when his account is overdrawn.

The illustration of a balanced pass book, Fig. 48, shows the method of balancing a pass book for a depositor. The deposits on the debit side have been entered by the receiving

EQUITABLE NATIONAL BANK			
DEBIT	<u>Sept. 8,</u> 190 <u>0</u>		
<i>First National Bank Boston</i>			
<i>Notes Filled - W. H. Gillette &amp; Co.</i>			<i>475</i>

FIG. 45

teller on the dates shown. The entries on the credit side are the charges against the depositor's account since the pass book was last balanced, and are made by the book-keeper directly from the checks or other items. When these

EQUITABLE NATIONAL BANK			
CREDIT	<u>Sept. 8,</u> 190 <u>0</u>		
<i>First National Bank Boston</i>			
<i>Notes Filled - J. C. Nesbit</i>			<i>50</i>

FIG. 46

entries have been made, the balance of the account, as shown by the ledger, is written beneath them and the totals of the debit and credit sides should agree. It is the policy of a bank to see that pass books of active accounts are

balanced monthly. It is also customary to balance a pass book whenever a customer requires it.

**THE EQUITABLE NATIONAL BANK**

Hartford, Conn., Sept 5, 190

*Mr. W. C. Fulton*

Your account with this bank is overdrawn \$ 10.00

Please give the matter your immediate attention

Very respectfully

J. E. ALLARD, Cashier

FIG. 47

The receipt for pass book and vouchers, Fig. 49, is a form which the bank requests a depositor to sign

Dr. Equitable National Bank in account with		<i>J. R. Farnum Co.</i>	
Aug 31 Balance	1064.90	Sept 1	46.27
Sept 1 J. C. B.	36.40		19.60
2 J. C. B.	46.92		142.74
4 J. C. B.	1400.50		1061.17
7 J. C. B.	148.90		31.0
	6301.22		12.70
Sept 7 Balance	261.09		28.96
			21.0
			515.74
			640.18
			56.10
			11.70
			6.00
			1.75
			318.40
			3.50
		17 vouchers	656.32
		Balance	261.09
			6301.22

FIG. 48

when a balanced pass book and canceled vouchers are delivered to him.

The **individual ledger** is a book in which the accounts of depositors are kept. Fig. 50 (a) and (b) shows a depositor's page in what is known as the *Boston ledger*, which is in general use. The accounts are arranged in alphabetical order and the names of the depositors are generally printed when the ledger is made, sufficient space being provided for new accounts. The first left- and right-hand pages, and all subsequent ones, are each divided into three sets of columns, as shown, one set for each day in the week, so that a week's transactions on any one account extend across two pages. The checks are entered in the Checks in Detail column, and the deposits or credits in the Credit column. At the close of business, the entries of Checks in Detail for each account

HARTFORD, CONN. Sept 8, 190

RECEIVED from THE EQUITABLE NATIONAL BANK, pass book for  
the account of the undersigned showing balance \$261.<sup>22</sup> at close of business  
Sept 7, 190, together with 17 canceled vouchers listed in  
pass book. The account and vouchers will be promptly examined, and any  
objections to entries made or vouchers paid will be reported to said bank  
with due diligence

J. R. Farnum

FIG. 49

are added and the total is carried to the Debit column. All these columns are then footed, and if the entries in the Checks in Detail column have been correctly added, their total will equal that of the Debit column. When all the pages have been footed, the Debit and Credit footings of each page are combined and the total debit and total credit obtained are carried to the Deposits account in the general ledger. In entering debits, it is incumbent on the book-keeper to see that no account is overdrawn.

Either after the trial balance has been taken at the close of business, or in the morning of the next day, the Balance column should be filled in and proved for each page. This

7.190 Tuesday, September 8, 190					NAMES	Checks in Detail
BALANCE	CHECKS IN DETAIL	DEBIT	CREDIT	BALANCE		
104110	549	549	1148	104709	Cashier's Account	
9870	184	184	506	10192	Certificates of Deposit	
684119			1650	849119	Certified Checks	
1462150	37010	41510	14895	1435535	Cheeseton, J. C.	
	45					
345190	4780	34380		310810	City Printing Co.	
	296					
1131461	52	86740		1044721	Coates, C. M.	
	37520					
	44020					
1060			245	19850	Duggan, P. C.	
2861703	8000	4217450	46640	1690898	Elastic Felt Co.	
	417450					
438192	42190	167265	215075	486005	Embleton, S. B.	
	500					
	75075					
3134184	100	150954		2983230	Emerson, N. C., & Son	
	1000					
	190					
	21954					
1647025	2000	2000	201958	1648984	Empire Gun Co.	
1119650	18190	83190		1036460	Excelsior Iron Works	
	650					
126109	8740	74008		52101	Farnum, J. B.	
	197					
	3890					
	41678					
2267115	160	278	103950	1966672	Felt, J. B., & Co.	
	115					
112472	450	50710		61762	Folk, C. T.	
	5710					
97690	100	100	14688	13260	Fostelle, Lucy B.	
				115630		
984116	31872	31872	67530	1019774	Foster, Wm. E.	
1041120	14120	29180	75273	1087213	Fremont Stove Co.	
	15060					
86470	406	48581		37889	French, B. E.	
	42					
	3718					

FIG. 50 (a)

1011	14016	14016		87054	Fulgham, D. C., & Co.
10				10	Fulton, N. C.
1641	16740 1550	16590		145510	Gardner, F. P.
2674029	400 1210	41210	475	2705342950553	Gillente, W. H., & Co.
2017018	13880 4090 300	50870	29250	1905598	Gilson, N. C., & Co.
917520	250	250	1000	992520	Gordon, F. P.
1143876	1900 1060	191060	17925	970141	Hayden, J. C.
196024	11120	11120	40250	234154	Kerns, Horatio
964730	100 42120	52120	46107	958717	Lamson, C. A.
1121471	41150	41150	100 110785	1201100	Myers, James
647010	175	175	7000	7000	Newton Co., A. S.
416172	49640 400	89640	260816	890334	Peabody, F. T.
3720	16720 150	31720	300	526532	Proctor, Anna P.
1061569	7250	7250	215225	1351794	Steele, J. H., & Co.
					Thatcher, Fred J.
31332509	3581593	3581593	337752	131120737	
10				10	
31331509				31127737	

FIG. 50 (b)



<u>Tuesday September 8, 190</u>		<u>Wednesday</u>					
DEBIT BALANCE	CREDIT BALANCE	DEBIT	CREDIT	DRAW BALANCE	CREDIT BALANCE	NAMES	DEBIT
5172210		1/16 1320736	942 234244	674444		Eastern National Bank New York	
		F.I.C.	15060				
3814012		9/16 151020	942 195499	372753		First National Bank Boston	
		M.H.S.	475	707			
			W.B.F.	1150			
	102184		9/16 114760		216944	Kearney National Bank Philadelphia	
	238696		9/16 179704		4170	City National Bank Springfield	
271646		9/16 16770		288415		First National Bank Litchfield	
1578611		9/16 116279		1694240		First National Bank Middlesex	
674658		9/16 31914		705972		Thompson National Bank Tombston	
106169		9/16 53411		111580		William National Bank Williamsport	
1215908	340280		859267	132715	38 634744		
340280				634744			
1775620				1263794			

**FIG. 51**

is done by adding the day's credits of each account to the previous balance, deducting the day's debits, and carrying the amount obtained to the next Balance column. The Balance column is then footed and the same process is used to prove the total. When an account is found to be overdrawn, the entry in the Balance column is made in red ink, and when the column is proved the red-ink entries are not footed in but are deducted from the black-ink total.

The **bank pages** of the individual ledger, Fig. 51, contain the accounts carried with correspondent banks. These pages immediately follow those of the individual accounts and are arranged in the same manner, except that two blank columns for explanations take the place of the Checks in Detail column, and that instead of a single Balance column there is one for Debit Balance and one for Credit Balance entries. The balances in the Debit Balance column represent what other banks owe us, those in the Credit Balance column what we owe other banks. Some banks use only the single balance column and make the Debit Balance entries in red ink. The entries on the bank page are made like those of the individual accounts, except that all charges are entered directly in the Debit column. At the close of the day, the Debit and Credit columns are footed and their totals carried to the Correspondents account in the general ledger.

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#### TRANSACTIONS

**19.** The following debits and credits have been assembled for entry on the individual ledger as a result of the transactions in the different departments on Tuesday, September 8, 190 :

Deposit tickets from receiving teller:

P. C. Duggan,	198.50
S. B. Embleton,	2,150.78
Elastic Felt Co.,	466.40
Empire Gun Co.,	2,019.58
Lucy B. Fostelle,	132.60
Wm. E. Foster,	675.80

Fremont Stove Co.,	752.73
W. H. Gillette & Co.,	2,705.34
James Myers,	1,107.85
A. S. Newton Co.,	7,800.00
F. T. Peabody,	2,608.16
Fred J. Thatcher,	2,152.25

**Credit tickets from receiving teller:**

Certificates of deposit,	506.00
Cashier's checks,	11.48

**Credit ticket from paying teller:**

Certified-checks account,	1,650.00
---------------------------	----------

**Deposit tickets from note teller:**

J. C. Cheeseton,	148.95
P. C. Duggan,	245.00
J. B. Felt & Co.,	1,039.50
J. B. Felt & Co.,	1,966.67
Lucy B. Fostelle,	146.80
W. H. Gillette & Co.,	475.00
N. C. Gilson & Co.,	292.50
F. P. Gordon,	1,000.00
J. C. Hayden,	173.25
Horatio Kerns,	492.50
C. A. Lamson,	461.07
James Myers,	100.00
Anna P. Proctor,	2,000.00
J. H. Steele & Co.,	300.00

**Checks from paying teller:**

Cashier's check No. 551,	5.49
Certificate of deposit No. 1,602,	184.00
City Printing Co.,	296.00
C. M. Coates,	375.20
S. B. Embleton,	750.75
J. B. Farnum,	38.90
F. P. Gardner,	167.40
W. H. Gillette & Co.,	12.10

N. C. Gilson & Co.,	49.90
F. T. Peabody,	175.00

**Debit tickets from paying teller:**

N. C. Emerson & Son,	1,000.00
Excelsior Iron Works,	650.00

**Checks from receiving teller:**

J. C. Cheeseton,	45.00
City Printing Co.,	47.80
C. M. Coates,	52.00
N. C. Emerson & Son,	190.00
Excelsior Iron Works,	181.90
J. B. Farnum,	87.40
J. B. Farnum,,	197.00
J. B. Felt & Co.,	118.00
C. T. Folk,	57.10
B. E. French,	406.00
B. E. French,	42.00
F. P. Gardner,	18.50
W. H. Gillette & Co.,	400.00
N. C. Gilson & Co.,	158.80
J. C. Hayden,	10.60
Horatio Kerns,	111.20
C. A. Lamson,	100.00
C. A. Lamson,	421.20
J. H. Steele & Co.,	150.00

**Debit items from note teller**

S. B. Embleton,	500.00
N. C. Emerson & Son,	100.00
C. T. Folk,	450.00
Fremont Stove Co.,	150.60
N. C. Gilson & Co.,	300.00

**Checks from mail clerk:**

J. C. Cheeseton,	370.10
C. M. Coates,	440.20
S. B. Embleton,	421.90

N. C. Emerson & Son,	219.54
J. B. Farnum,	416.78
J. B. Felt & Co.,	160.00
Fremont Stove Co.,	141.20
B. E. French,	37.81
D. C. Fulgham & Co.,	140.16
James Myers,	411.50
J. H. Steele & Co.,	167.28

**Checks from clearing house:**

Elastic Felt Co.,	8,000.00
Elastic Felt Co.,	4,174.50
Empire Gun Co.,	2,000.00
Lucy B. Fostelle,	100.00
Wm. E. Foster,	318.72
F. P. Gordon,	250.00
J. C. Hayden,	1,900.00
Anna P. Proctor,	400.00
Anna P. Proctor,	496.40
Fred J. Thatcher,	7,250.00

**Credit tickets from mail clerk:**

Kenyon National Bank, Philadelphia,	1,147.60
City National Bank, Springfield,	1,797.04

**Debit tickets from mail clerk:**

Eastern National Bank, New York,	13,207.34
First National Bank, Boston,	1,818.20
First National Bank, Middletown,	1,162.79
First National Bank, Litchfield,	167.75
Windham National Bank, Willimantic,	54.11
Thomaston National Bank, Thomaston,	319.14

**Credit tickets from mail clerk for draft register totals:**

Eastern National Bank, New York,	2,342.44
First National Bank, Boston,	1,954.99

**Credit tickets from note teller for collections:**

First National Bank, Boston, collection from T. C. Nesbit,	50.00
---	-------

First National Bank, Boston, collection from Newton D. Foye,	1,150.00
Eastern National Bank, New York, collection from Fremont Stove Co.,	150.60

Debit ticket from note teller:

First National Bank, Boston, collected for W. H. Gillette & Co.,	475.00
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### GENERAL-LEDGER BOOKKEEPER

20. The **general-ledger bookkeeper** ranks fourth in the order of the bank's employes, coming next to the tellers. In point of position, however, he is considered of the same importance as the paying teller. All the accounts of the bank center at his desk. He has charge of the final balance of each day's work, and must keep his records in shape to present a statement of the bank's condition at regular intervals or at short notice. The books in his charge are the *general proof book*, *general ledger*, and *investment book*.

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### BOOKS AND FORMS

21. The **general proof book**, Fig. 52, is a book for the proof of the day's work. It is made up from the receiving-, paying-, and note-tellers' settlements and the mail-clerk's scratcher. The columns designated State of Cash show, in detail, the actual cash on hand, Clearings on Hand and Cash Items being counted as part of the cash. The Proof of Cash affords a proof of the day's cash transactions. By adding the cash receipts to, and deducting the cash payments from, the balance of the previous day an amount equal to the cash on hand should be obtained. The Total under Clearings in this column affords a proof of the clearings, and should agree with the total of the clearing-house register. Under Correspondents is afforded a proof of the bank page in the individual ledger, and under Deposits a proof of the entries on the depositors' pages of

# EQUITABLE NATIONAL BANK

GENERAL PROOF *Sept. 5, 1901*

STATE OF CASH	PAID TENDER	RECEIVED TENDER	NOTE TENDER	TOTAL	PROOF OF CASH	CONSPICUOUS	DEBITS	CREDITS	GENERAL LEDGER	DEBITS	CREDITS
Cash coin	102.00	2.00	2.00	106.00	Balance forward	Receiving teller	1732.46		Deposits	3772.33	7772.21
Cash certificates	107.00	0	0	107.00	received	Paying teller	210.77	122.5	Correspondence	1720.11	5592.62
National bank notes	112.65	3.00	6.00	121.65	Charging:	None teller	161.30	1595.10	Discounts	3.65	24.50
Legal tenders	353.50	3.00	4.00	360.50	Receiving teller	Mail clerk	170.77	577.25	Loans	3.00	
Silver certificates	7.00	3.00	1.00	7.00	Paying teller	Deducted			Prevents	2.00	
Silver dollars	2.60	.85	.40	3.85	None teller				Expense " " "	1.00	
Fractional silver	.55	2.75	1.75	5.05	Mail clerk				Interest and discounts		637.6
Nickels and cents	2.20	1.25	.80	4.25	Deducted						
	1365.90	15.80	15.20	1536.90	Total		1720.43	5592.62			
Charging on hand				1107.23	Cash items	DEPOSITS					
Cash items				107.23	Cash	Charging	2619.61				
				107.23	Receiving teller	Receiving teller	279.65	222.60			
				1227.40	Paying teller	Paying teller	3.00	477.90			
				1522.09	None teller	None teller	150.16	326.10	Collection and exchange		8.06
				1616.10	Total	Mail clerk	292.69		Receiving teller	2.10	
				1787.65	PAID OUT	Certified checks	16.70	16.70	Paying teller	2.40	
				1819.65	Paying teller	Deducted			None teller	1.00	
				1678.32	To charging loans				Mail clerk	2.00	
				41.11	Cash items from year				Cash		1616.10
				313.57	entry						3772.33
				1405.26			3575.57	5377.12			7624.49

FIG. 52

the individual ledger. The columns of General Ledger are for the proof of the whole day's transactions, and the entries correspond to those of the general ledger. When transactions occur that affect accounts on the general ledger not printed on the general proof book, the names of the accounts are written in.

A detailed account of the method of making entries on the general proof book is given in Art. 22.

The **general ledger**, Fig. 53, contains all the general accounts of the bank. The arrangement of the columns is practically like that of the individual ledger, except that the upper half of each page is for the Resources accounts and the lower half for the Liabilities accounts. In this bank the debit and credit entries are taken from the general proof book. In footing the debit and credit columns, all the entries are added and the totals are placed at the foot of the columns. These footings should equal those of the General Ledger debit and credit columns on the general proof book. In carrying forward the balances of the Resources, the entries in the debit column are added to, and those in the credit column subtracted from, the previous balance. In extending the balances of the Liabilities the usual method is used. At the end of each 6 months, when a dividend is declared, the income and expense accounts are closed, and carried to profit and loss account.

The form of general ledger page shown in the illustration presents a daily statement of the bank's condition, and it is the work of but a few moments for the bookkeeper to make a transcript of it when called on for a statement by the officers.

The **investment book**, Fig. 54, is a book containing a detailed record of the securities in which the bank has invested a portion of its funds, and which are carried in the general ledger in the Stocks and Bonds account. The headings of the columns are self-explanatory. This record is kept by the general-ledger bookkeeper, and all changes in investments are noted when they are made.

The **interest slip**, Fig. 55, is a form used for computing the monthly interest allowed depositors carrying large





27, 190		Tuesday, September 1, 190			
BALANCE	REMARKS	DEBIT	CREDIT	REMARKS	BAL
80312712		3845	2450		3
130500		3000			12
50000					50
25000					25
5000					5
1500					1
46000					46
11775620		1720433	859267		12
1000					
0		200			
18420		1840			
5780					
2500					
16371330		1616116	3135090		14
176606095					7
500000					5
200000					2
5190670					5
3020217					
50000					
91909041		3581523	3377021		5
286050					
1162040			6500		
38072			800		
176606095		7624490	7624490		1

+Ck		RESOURCES	REMARKS
			<i>Wednesday</i>
52212		Discounts	
500		Loans	
200		U. S. bonds to secure circulation	
000		Banking house	
000		Furniture and fixtures	
500		Premium on U. S. bonds	
000		Stocks and bonds	
36794		Correspondents	
000		Due from U. S. Treasurer	
200		Protests	
20260		Expense	
780		Salary account	
500		Five per cent. redemption fund	
52360		Cash	
09638			
		LIABILITIES	
000		Capital stock	
000		Surplus fund	
90670		Undivided profits	
20217		Profit and loss	
000		Circulation	
05269		Deposits	
86050		Dividends unpaid	
68554		Interest and discount	
38878		Collection and exchange	
09638			



## INVESTMENT RECORD

**FIG. 54**

*Fremont Store Co*  
WITH  
EQUITABLE NATIONAL BANK  
INTEREST ACCOUNT

To *September 1,* 190

DATE	DEBIT BALANCE	CREDIT BALANCE	NET BALANCE
<i>August</i> 1	<i>147</i>	<i>5000</i>	<i>97</i>
2	<i>84</i>		<i>34</i>
3	<i>73</i>		<i>23</i>
4	<i>104</i>		<i>54</i>
5	<i>92</i>		<i>42</i>
6	<i>91</i>		<i>41</i>
7	<i>91</i>		<i>41</i>
8	<i>68</i>		<i>18</i>
9	<i>74</i>		<i>24</i>
10	<i>92</i>		<i>42</i>
11	<i>101</i>		<i>51</i>
12	<i>116</i>		<i>66</i>
13	<i>128</i>		<i>78</i>
14	<i>128</i>		<i>78</i>
15	<i>64</i>		<i>14</i>
16	<i>52</i>		<i>2</i>
17	<i>41</i>		<i>0</i>
18	<i>63</i>		<i>13</i>
19	<i>84</i>		<i>34</i>
20	<i>82</i>		<i>32</i>
21	<i>82</i>		<i>32</i>
22	<i>96</i>		<i>46</i>
23	<i>108</i>		<i>58</i>
24	<i>124</i>		<i>74</i>
25	<i>124</i>		<i>74</i>
26	<i>120</i>		<i>70</i>
27	<i>110</i>		<i>60</i>
28	<i>110</i>		<i>60</i>
29	<i>109</i>		<i>59</i>
30	<i>84</i>		<i>34</i>
31	<i>72</i>		<i>22</i>
			<i>1373</i>
Interest \$ <i>7.52</i>			

FIG. 55

balances. The agreement in the case illustrated calls for a payment of 2 per cent. on the average daily balance in excess of \$5,000. The computation, which is made at the end of each month, is carried out by entering in the column headed Gross Balance the actual balance of the depositor's account at the close of each day. From each of the amounts thus entered the Free Balance is deducted, and the remainder entered in the Net Balance column. All three columns are then footed and proved, and the amount to be allowed is found by figuring the interest for 1 day at 2 per cent. on the total of the Net Balance column. In the case illustrated,  $\$1,378 \times 2 \div 365 = \$7.52$ . This sum is credited to the depositor and the interest slip is sent him as an advice of the amount. The total of all the interest slips is charged to the Interest and Discount account in the general ledger.

#### TRANSACTIONS

22. The transactions of the bank on Tuesday, September 8, 190 , as shown by the receiving-teller's settlement, paying-teller's settlement, note-teller's settlement, and mail-clerk's scratcher, were assembled for final proof on the general proof book as follows:

##### Receiving teller's settlement:

##### Debits,

Checks on Equitable,	2,794.50
----------------------	----------

Entered in debit column opposite  
Receiving Teller under Deposits.

Clearings,	6,178.98
------------	----------

Entered in first column of Proof of  
Cash, opposite Receiving Teller,  
under Clearings.

Correspondents,	11,732.46
-----------------	-----------

Entered in debit column opposite  
Receiving Teller under Corre-  
spondents.

Non-clearings,	421.18
Went to note teller for collection and is not entered in general proof book.	
Expense,	11.48
Entered at the left of the debit col- umn opposite Expense under General Ledger.	
To Paying Teller (\$1,000) and the total of Cash on Hand (\$1,150.50) are added (\$2,150.50) and entered in the first column of Proof of Cash opposite Receiving Teller under Cash.	
The detailed entries of Cash on Hand and the total \$1,150.50, are entered in the Receiving Teller column of State of Cash.	
Credits,	
Deposits,	23,286.97
Entered in credit column opposite Receiving Teller under Deposits.	
Exchange,	2.13
Entered at left of debit column opposite Receiving Teller under General Ledger	
Paying-teller's settlement:	
Debits,	
General receipts total,	1,227.43
Entered in first column of Proof of Cash, opposite Paying Teller under Cash.	
Exchanges from clearings,	24,889.62
Entered in debit column opposite Clearings under Deposits.	



Checks certified, Entered in debit column opposite Certified Checks under Deposits.	1,650.00
Checks on Equitable, Entered in debit column opposite Paying Teller under Deposits.	2,054.74
Clearings, Entered in first column of Proof of Cash, opposite Paying Teller under Clearings.	1,663.50
Correspondents, Entered in debit column opposite Paying Teller under Correspond- ents.	2,105.78
Non-clearings, Went to the note teller for collection and is not entered in the general proof book.	220.15
Expense account, Entered at left of debit column opposite Expense under General Ledger.	7.00
Credits, Checks and items paid, total, Entered in first column of Proof of Cash, opposite Paying Teller under Paid Out.	14,198.59
Correspondents—Drafts, Entered in credit column opposite Paying Teller under Correspond- ents.	1,225.00
Exchange, Entered at left of debit column oppo- site Paying Teller under General Ledger.	2.43

Certified-check account, 1,650.00  
Entered in credit column opposite  
Certified Checks under Deposits.

Exchanges to clearings, 16,742.20  
Entered in first column of Proof  
of Cash, opposite To Clearing  
House, under Paid Out.

Detail of Cash on Hand, in Cash  
Proof and total, 184,589.91  
Entered in State of Cash column  
headed Paying Teller.

**Note-teller's settlement:**

Debits,  
Checks on Equitable, 1,500.60  
Entered in debit column opposite  
Note Teller under Deposits.

Clearings, 2,450.00  
Entered in first column of Proof  
of Cash opposite Note Teller  
under Clearings.

Correspondents, 1,662.30  
Entered in debit column opposite  
Note Teller under Correspond-  
ents.

Non-clearings (unpaid), 187.75  
Entered in first column of Proof  
of Cash, opposite Cash Items.

Discounts, 3,845.00  
Entered in debit column opposite  
Discounts under General Ledger.

Loans, 3,000.00  
Entered in debit column opposite  
Loans under General Ledger.

Sundries—Protests, Entered in debit column opposite Protests under General Ledger.	200.00
Cash on hand, Entered in first column of Proof of Cash, opposite Note Teller under Cash.	1,523.09
Detail entries of Cash on Hand and total, Entered in column of State of Cash headed Note Teller.	1,523.09
Credits, Credited depositors, loans, and dis- counts, \$6,779.94, and Collections, \$2,061.30. Entered in credit column opposite Note Teller under Deposits.	
Interest and discount, Entered in credit column opposite Interest and Discount under Gen- eral Ledger.	65.06
Collection and exchange, Entered at left of debit column opposite Note Teller under Gen- eral Ledger.	1.50
Correspondents, Entered in credit column opposite Note Teller under Correspondents.	1,595.10
Non-clearings (balance), Entered in first column of Proof of Cash opposite Cash Items From Yesterday, under Paid Out.	410.11
Discounts, Entered in credit column opposite Discounts under General Ledger.	2,450.00

Sundries, \$1,005.73, is the total amount of non-clearings turned over for collection by the receiving and paying tellers and mail clerk and is not entered in the general proof book.

Mail-clerk's scratcher:

Debits,

Equitable,	2,926.47
------------	----------

Entered in debit column opposite  
Mail Clerk under Deposits.

Clearings,	779.91
------------	--------

Entered in first column of Proof of  
Cash, opposite Mail Clerk under  
Clearings.

Correspondents,	1,703.79
-----------------	----------

Entered in debit column opposite  
Mail Clerk under Correspondents.

Non-clearings,	364.40
----------------	--------

Went to the note teller for collec-  
tion and is not entered in the  
general proof book.

Credits,

Total of Correspondents columns (\$2,944.64, \$1,204.99, and \$1,622.94),	5,772.57
--	----------

Entered in credit column opposite  
Mail Clerk under Correspondents.

Exchange,	2.00
-----------	------

Entered at left of debit column,  
opposite Mail Clerk under Gen-  
eral Ledger.

Proof of Cash,

Cash on hand at the close of business September 7, shown by yesterday's general proof book,	163,713.38
---	------------

Entered in second column of Proof of Cash, opposite Balance Forward. Entries in first column under Clearings footed, and the total, \$11,072.39, placed opposite Total. This amount should agree with the clearing-house register and is also entered opposite Clearings on Hand in the total column of State of Cash.

Cash items (below total of Proof of Cash),

187.75

Entered opposite Cash Items in total column of State of Cash.

Footing of State of Cash columns (Paying Teller \$134,589.91, Receiving Teller \$1,150.50, and Note Teller \$1,523.09) added and the total (\$137,263.50) entered on the same line in total column. Total column footed and the footing (\$148,523.64) entered on the last line.

In the first column of Proof of Cash, the items Total, Cash Items, and Cash detail are footed and the total (\$16,161.16) entered in second column. This amount, added to Balance Forward, gives \$179,874.54. Paid Out items are footed and the total (\$31,350.90) carried to the second column and deducted from \$179,874.54, giving \$148,523.64, which agrees with the total of State of Cash and proves the cash. The total of Cash Received (\$16,161.16) is entered in the debit column and the total of cash paid out (\$31,350.90) is entered in the credit

column of the general ledger, opposite Cash. Detail of Cash added and totals carried to total column of State of Cash, which foots to \$137,263.50.

**General Proof,**

Footings of debit column (\$17,204.33) and credit column (\$8,592.67) of Correspondents carried to debit and credit columns opposite Correspondents under General Ledger.

Footings of debit column (\$35,815.93) and credit column (\$33,778.21) of Deposits carried to debit and credit columns opposite Deposits under General Ledger.

Detail of Expense (\$11.48 and \$7) footed and the total (\$18.48) entered in the Debit column opposite Expense under General Ledger.

Detail of Collection and Exchange footed and the total (\$8.06) entered in the credit column opposite Collection and Exchange under General Ledger.

The General Ledger Debit and Credit columns are footed. The fact that they are equal shows the day's work to be correct.

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### THE CLEARING HOUSE

**23. Organization.**—A clearing house is an organization of the banks in a banking center established in order to enable its members to settle their daily demands on one another in the most expeditious manner. Its establishment is accomplished by an agreement among the banks, which

results in an organized body, in this case termed the Hartford Clearing House Association. The association has a constitution, by-laws, officers comprising a president, secretary, treasurer, and manager, and a set of rules by which business is governed. A portion of the management of the association's affairs is in the hands of various committees, which are chosen from among the officers of the member banks; the oversight of the daily routine business, however, is in the hands of a manager. An office is provided for the daily clearing transactions, and each bank is given a number to identify all transactions relating to it. Clearing houses are established in all cities of any business importance.

**24. Preparation for Clearing.**—The checks are prepared for the clearing house by being entered on the clearing-house register, Fig. 21, and their total is obtained on the clearing-house delivery statement, Fig. 22. In preparing checks for the clearing house, each one is indorsed with a rubber stamp having the name and number of the bank that holds them. When all have been entered in the register and

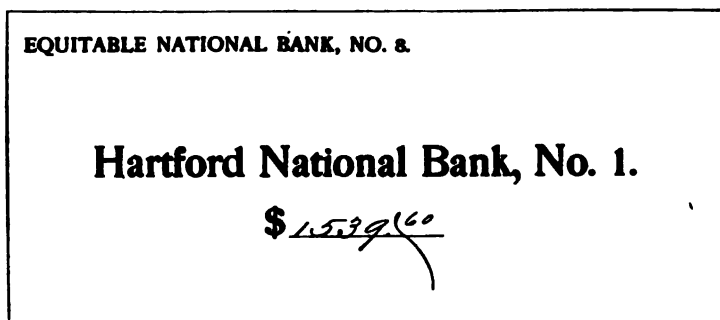


FIG. 56

the total obtained and proved, the perforated page is torn out and the slips for each bank are detached and fastened to the checks listed on them. Each of these memorandum slips, with the attached check, is placed in an envelope, on the outside of which is the name of the delivering bank, the name of the bank to which it is to be sent, and the total of the checks it contains, as shown in Fig. 56. The amount on

the envelope must equal the amount opposite the name of the bank on the clearing-house delivery statement.

A small memorandum, called a **check ticket**, shown in Fig. 57, is made out for each envelope. These are used by the settling clerks in the clearing house as memorandums to supply the place of the envelopes, which are taken away as soon as the actual exchange of items has been made.

The next thing is to make out the **settling-clerk's statement**, Fig. 58. This is like the delivery statement, except that, in addition to showing the amount of checks on each member delivered by this bank to the clearing house, it shows the amount of checks on this bank received from each of the others, and the balance due the clearing house or this bank. Before going to the clearing house, only the entries in the debit column can be made. The figures in the credit column and the balance are entered by the settling clerk at the clearing house when all the other banks have delivered their packages containing the checks on this bank.

No. 1
HARTFORD NATIONAL BANK
From No. 2.
EQUITABLE NATIONAL BANK
\$ 1,539.66

FIG. 57

When the settling-clerk's statement has been made out, a credit memorandum, called the **clearing-house credit ticket**, Fig. 59, is filled out by the settling clerk. This shows the total amount of checks delivered to the clearing house by this bank, and is used at the manager's desk as a memorandum by which this bank is credited.

**25. The Clearing.**—All the preparatory work for the clearing has been done before 10 o'clock in the forenoon, at which time all banks are represented by a delivery clerk and a settlement clerk. When these two enter the room the settling clerk seats himself at the desk allotted to his bank, with the settling-clerk's statement before him, and the delivery clerk takes to the manager's desk the credit ticket



showing the amount of items brought. He then takes his position in front of the desk occupied by the settling clerk and has the delivery statement and envelope of checks for each bank. The desks of the different members of the clearing house are arranged in numerical order, and at the hour

No. 8

### EQUITABLE NATIONAL BANK

*September 9, 1900*

DR.			CR.	
1539	60	1 Hartford National Bank	185	90
984	90	2 Farmers and Mechanics National Bank	164	94
631		3 National Exchange Bank	0	
366	35	4 State Bank	567	96
421	10	5 Connecticut River Banking Co.	0	
156	70	6 City Bank	0	
1318	12	7 Charter Oak National Bank	2198	60
1365	24	9 First National Bank	650	
2623	38	10 Aetna National Bank	6281	20
1323	50	11 American National Bank	5000	
342	50	12 Phoenix National Bank	0	
11072	39			
3976	21	Balance		
15048	60		15048	60

FIG. 58

for clearing the manager of the clearing house gives the signal for the exchanges to begin. Each delivery clerk moves forward one desk at a time, delivering to the settling clerk seated there the envelope containing the checks on his

bank and taking his receipt in the Received column of the delivery statement, until all the exchanges have been made and the delivery clerk is again at the desk of his own bank. Each time the settling clerk receipts for an envelope he enters its amount on the settling-clerk's statement in the credit

CREDIT TICKET	No. 8	HARTFORD CLEARING HOUSE	<i>Sept 9, 190-</i>
	CREDIT		
	EQUITABLE NATIONAL BANK,		\$ <i>11072.<sup>27</sup></i>
	<i>Chas. R. Reeves, Settling Clerk</i>		

FIG. 59

column. When the delivery clerk returns to his bank's desk he takes the packages left there by the other banks, and, after comparing their amounts with the settling-clerk's statement, takes them and his delivery statement and returns to the bank.

The settling clerk remains at the clearing house to take a proof of his work. He foots the column of the settling-clerk's

BALANCE TICKET	No. 8	HARTFORD CLEARING HOUSE	<i>Sept 9, 190-</i>
	Dr.	EQUITABLE NATIONAL BANK,	Amount Received \$ <i>15246.<sup>50</sup></i>
	Cr.	" " "	Amount Brought \$ <i>11072.<sup>27</sup></i>
	Balance \$ <i>3976.<sup>21</sup></i> due Clearing House		
	Balance due Equitable National Bank, \$ _____		
	<i>Chas. R. Reeves, Settling Clerk</i>		

FIG. 60

statement, and, after entering the balance, fills out a balance ticket, Fig. 60, and sends it to the manager's desk. This ticket shows the amount brought to and received from the clearing house, and the balance due to the bank or to the clearing house.



As fast as the balance tickets are received at the manager's desk, the amount received is entered on the **clearing-house proof**, Fig. 61, in the Banks Dr. column. The balances due the clearing house are entered in the Due Clearing

### HARTFORD CLEARING HOUSE BALANCES

*September 9, 190*

DR.			CR.		
<i>5980.50</i>		1 Hartford National Bank			
		2 Farmers and Mechanics National Bank	<i>6782.49</i>		
<i>4619.59</i>		3 National Exchange Bank			
		4 State Bank	<i>6004.06</i>		
		5 Connecticut River Banking Co.	<i>8000.40</i>		
<i>968.41</i>		6 City Bank			
<i>5147.46</i>		7 Charter Oak National Bank			
<i>3976.21</i>		8 Equitable National Bank			
		9 First National Bank	<i>5801.50</i>		
<i>4650.01</i>		10 Aetna National Bank			
<i>3270.52</i>		11 American National Bank			
		12 Phoenix National Bank	<i>2024.25</i>		
<i>28612.70</i>		<i>Balances</i>	<i>28612.70</i>		
		<i>Exchanges</i>	<i>315017.31</i>		

FIG. 62

House column, and those due the banks in the Due Banks column; the check tickets that were left at this desk by the delivery clerks have already been entered in the Banks Cr. column. The columns are then footed, and if the totals of

the Banks Dr. and Banks Cr. columns are equal, and the total of the Due Clearing House column equals that of the Due Banks column, a proof is effected.

It takes at least  $\frac{1}{2}$  hour to obtain a correct proof, and for failure to have a correct statement at the end of this time each delinquent bank is fined.

MANAGER'S RECEIPT	HARTFORD CLEARING HOUSE <u>Sept 9, 190-</u>
	Received from <u>Equitable Natl Bank</u> \$ <u>3976.21</u>
	<u>Thirty nine hundred seventy six &amp; 21/100</u> DOLLARS
	in full for balance due this day to HARTFORD CLEARING HOUSE ASSOCIATION
	<u>Frederick J. Forsythe</u> Manager

FIG. 63

After a proof has been obtained, the manager calls off the balances to the settling clerks, each of whom enters them on a form called a balance memorandum, Fig. 62. This memorandum is taken to the bank by the settling clerk so that the officers may know the exact status of each bank in

CASHIER'S RECEIPT	HARTFORD, CONN. <u>Sept 9, 190-</u>
	Received from the HARTFORD CLEARING HOUSE ASSOCIATION
	<u>Fifty eight hundred one &amp; 7/100</u> DOLLARS
	in full for balance due this day to <u>First National Bank</u>
	<u>\$ 5801.70</u> <u>Dwight L. Spence</u> Cashier

FIG. 64

the clearing. The Dr. column on this memorandum shows the amounts due the clearing house, and the Cr. column the amounts due the banks.

A settlement of the balances due is effected immediately after the noon hour. Balances due the clearing house are

paid in currency and coin, and a **manager's receipt**, Fig. 63, is given the bank. Balances due the banks are paid in the same way and each bank receipts by giving a **cashier's receipt**, Fig. 64. Checks or other items received through the clearing house and that are found to be not good for any reason, are returned directly to the bank from which they were received.







## EXAMINATION SETS

It will be noticed that the Examination Sets contained in the following pages are divided into sections corresponding to the sections of the text of the preceding pages, so that each section has a headline that is the same as the headline of the section to which the Examination Sets refer. No work should be done on the transactions until the corresponding part of the text has been carefully studied.



# SINGLE-ENTRY BOOKKEEPING

(PART 1)

---

## EXAMINATION SET

The following transactions are to be worked out by the student in the accompanying book, marked "Blanks for Single-Entry Bookkeeping, Part 1." No directions are given with the transactions except for deposit. In case the student is in doubt as to the proper entry to be made on blanks to be filled out, a reference to a similar transaction in the Model Set will give the desired information. But three checks are given in the blank book, and are all that are necessary to be filled out. The student's name, address, and class letter and number should be written on the cover, and the book returned to us for examination. The index to the blanks is on page 1. Let the writing and figures be small and without shade. Be careful with the work and endeavor to produce accurate results.

In making all entries be sure to give a full and complete explanation of the transaction. Cash sales need not be itemized, because there is no future to them; the seller has the money and the buyer has the goods. Sales on account must be fully itemized, because, if it becomes necessary to bring a suit against the buyer for payment, the seller will be required to furnish an itemized statement of the goods sold; otherwise, the suit would be dismissed. Purchases need not be itemized, for it is supposed that the party from whom the goods are bought will furnish a bill, or invoice, for each purchase, and the invoice will show all the particulars as to quantities, prices, and amounts.

The proprietor of the business is Warren E. Smith, and the student is his bookkeeper. In this practice work, the bookkeeper signs the names of the various people whose signatures are needed, attesting them with the initials of his own name.

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#### TRANSACTIONS

SCRANTON, PA., JANUARY 1, 190

I, Warren E. Smith, begin business today at 422 Main St., with cash on hand, \$265.71.

Deposit.

— 1 —

Paid rent for January by check, \$18.00.

— 2 —

Bought Wall Paper, as per invoice, from A. P. Baker, 612 Ann St., New York, on account, \$35.00.

— 2 —

Bought Paint, as per invoice, from C. D. Evans, 925 Broad St., Philadelphia, on account, \$60.00.

— 3 —

Papered two rooms for F. X. Hazard, 215 Webster Ave., on account, \$11.25.

— 4 —

Sold Paint for cash, \$2.60.

— 5 —

Stained and varnished dining room for George W. Innes, 314 Taylor Ave., on account, \$7.25.

— 5 —

Bought Varnish and Stains, as per invoice, from John M. Kingwood, 1212 Broadway, New York, on account, \$6.50.

— 5 —

Received cash from F. X. Hazard, in full of account, \$11.25.

— 6 —

Painted barn for Orlando Young, 610 Mulberry St., on account, \$35.00.

— 8 —

Painted porch and set glass for Rufus Quinby, 715 Myrtle St., on account, \$4.50.

— 8 —

Bought Paints, as per invoice, from A. P. Baker, on account, \$20.00.

— 9 —

Bought Canvas, as per invoice, from Samuel Thompson, 413 Fortieth St., New York, on account, \$9.00.

— 10 —

Painted house for Uriah Vaughn, 812 Adams Ave., on account, \$115.00.

— 10 —

Sold to F. X. Hazard, on account,  
18½ lb. Paint, .20      3.75

— 10 —

Bought Paint, as per invoice, from A. P. Baker, on account, \$15.00.

— 11 —

Bought Turpentine, as per invoice, from John M. Kingwood, on account, \$6.50.

— 11 —

Bought Oil and Lead, as per invoice, from L. Z. Nelson & Co., 518 Arch St., Philadelphia, on account, \$82.25.

— 11 —

Sold Paint for cash, \$2.00.

— 12 —

Painted fence for Orlando Young, on account, \$15.00.

— 12 —

Bought Paints and Stains, as per invoice, from C. D. Evans, on account, \$6.85.

— 13 —

Polished and varnished chairs for F. X. Hazard, on account, \$3.75.

— 15 —

Received cash from Uriah Vaughn, in full of account, \$115.00.

Deposit amount on hand.

— 15 —

Painted signs for Orlando Young, on account, \$12.10.

— 15 —

Sold Varnish and Stains for cash, \$6.00.

— 16 —

Painted two wagons for George W. Innes, on account, \$11.00.

— 16 —

Bought a Show Case from Samuel Thompson, on account, \$15.00.

— 16 —

Bought Putty from John M. Kingwood, on account, \$4.00.

— 17 —

Bought Supplies, as per invoice, from L. Z. Nelson & Co., on account, \$18.24.

— 17 —

Sold Paint and Varnish for cash, \$6.00.

— 18 —

Painted bin for George W. Innes, on account, \$13.00.

— 18 —

Bought Paint, as per invoice, from C. D. Evans, on account, \$11.00.

— 18 —

Sold Brush for cash, \$2.00.

— 19 —

Sold to Uriah Vaughn, on account,

50 lb. Lead,	.14	7.00
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10½ gal. Oil,	.50	5.25
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— 19 —

Bought Oil, as per invoice, from John M. Kingwood, on account, \$15.00.

— 19 —

Polished and varnished chairs for Orlando Young, on account, \$4.00.

— 20 —

Bought Paints, as per invoice, from C. D. Evans, on account, \$12.10.

— 20 —

Sold Varnish, Putty, and Lead, for cash, \$45.00.

Deposit amount on hand.

— 22 —

Paid L. Z. Nelson & Co., for invoice of 11th, \$82.25.

— 22 —

Sold to Orlando Young, on account,  
1 can Varnish, .60.

— 22 —

Sold Paint and Oil for cash, \$3.75.

— 23 —

Painted carriages for Uriah Vaughn, on account, \$15.00.

— 23 —

Cash sales today, \$1.10.

— 24 —

Received cash from Rufus Quinby, on account, \$4.50.

— 24 —

Bought Brushes, as per invoice, from A. P. Baker, on  
account, \$12.00.

— 24 —

Sandpapered and painted chairs for George W. Innes, on  
account, \$6.00.

— 24 —

Cash sales today, \$2.25.

— 26 —

Bought Paint and Varnish, as per invoice, from L. Z. Nel-  
son & Co., on account, \$15.00.

— 26 —

Sold Paint for cash, \$3.75.

— 27 —

Polished and varnished chair for Rufus Quinby, on  
account, \$1.25.

— 27 —

Received cash from Uriah Vaughn, in full of account,  
\$27.25.

— 27 —

Bought Ladders, Paints, Brushes, etc., from Samuel  
Thompson, on account, \$75.00.

— 28 —

Sold to George W. Innes, on account,  
 $\frac{1}{2}$  doz. Brushes, 6.00 3.00

— 28 —

Bought Canvas, as per invoice, from L. Z. Nelson & Co.,  
on account, \$8.00.

— 30 —

Painted barn for F. X. Hazard, on account, \$12.00.

— 30 —

Received cash from Rufus Quinby, in full of account, \$1.25.

— 31 —

Bought Stains, as per invoice, from C. D. Evans, on account, \$10.00.

— 31 —

Paid wages for January, \$137.00.

— 31 —

Deposit all cash on hand.

Enter amount on back of check-stubs.

Add the amounts of checks and deduct from the sum of the deposits on the back of the check-stubs.

Compare this balance with the balance shown by the cash account.

Make a Statement of Personal Accounts.

Balance and rule accounts.

Rule up, in red ink, the page of Ledger paper on page 8 of the Blank Book, exactly as shown in Fig. 11. Do the work neatly, ruling all lines without retracing or patching, and give especial attention to beginning and ending the lines at the points intended.



# SINGLE-ENTRY BOOKKEEPING

(PART 2)

---

## EXAMINATION SET

Following will be found transactions for an examination set of books to be worked out in the accompanying book marked "Blanks for Single-Entry Bookkeeping, Part 2," following the forms of the Model Set. The index to the blanks will be found on page 1.

In this Section the items are posted from the Journal and the Cash Book to the Ledger, and the bank deposits and withdrawals are kept in the Banking Ledger instead of in the Check-Book, as in the previous Section.

When the examination work is complete, the student should write his name, address, and class letter and number on the cover and return the book to the Schools for correction.

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## TRANSACTIONS

SCRANTON, PA., FEBRUARY 1, 190

I, Warren E. Smith, have this day commenced business as a grocer at 319 Adams Ave., with a net capital of \$530.00. The store has been rented from C. L. Isaacs for \$30.00 per month, payable in advance.

James Ely, 312 Madison Ave., owes me, on account,	25.00
William Sloat, 925 Mifflin Ave., owes me, on account,	20.00
Angus Brown, 625 Carbon St., owes me, on account,	30.00
Cash invested,	525.00

I owe Edwards & Hastings, 520 Beekman St., New York, on account,	30.00
I owe Gilmore & Co., 729 Ann St., New York, on account,	40.00
Warren E. Smith's net investment,	530.00

— 3 —

Paid C. L. Isaacs, rent of store for one month in advance,  
\$30.00.

— 4 —

Bought from Edwards & Hastings, on account,			
2 bbl. Flour,	5.00	10.00	
2 " Sugar,	16.00	32.00	
50 lb. Oolong Tea,	.30	15.00	
50 " Coffee,	.25	12.50	69.50

— 5 —

Bought from Gilmore & Co., on account			
1 case Canned Corn, 24 cans,	2.40		
1 " " Peas, 24 "	2.40	4.80	

— 5 —

Sold to Warren Harvey, 316 Quincy Ave., on account,			
8 lb. Sugar,	.50		
1 " Tea,	.50		
$\frac{1}{2}$ lb. Coffee,	.20	1.20	

— 6 —

Sold to William Sloat, on account,			
8 lb. Sugar,	.50		
50 " Flour,	4.00	2.00	
$\frac{1}{2}$ " Tea,	.50	.25	
1 " Coffee,	.40		
3 cans Corn,	.15	.45	
2 " Peas,	.15	.30	3.90

— 6 —

Sold to Martin Horn, 816 S. Washington Ave., on account,			
17 lb. Sugar,	1.00		

—7—

Bought from California Produce Co., 42 Vesey St., New York, on account,

6 doz. Oranges,	.25	1.50	
6 " Lemons,	.15	.90	
22 bu. Potatoes,	.40	8.80	11.20

—7—

Sold to Angus Brown, on account,

2 pk. Potatoes,	.20	.40	
1 lb. Tea,		.50	.90

—7—

Received from William Sloat, cash on account, \$5.00.

—8—

Bought from Gilmore & Co., on account,

1 case Canned Tomatoes, 24 cans,		1.44	
3 doz. glasses Jelly,	.84	2.52	3.96

—8—

Sold to Marshall Wolf, 1215 Linden St., on account,

1 doz. Oranges,		.40	
10 bu. Potatoes,	.70	7.00	
6 cans Tomatoes,	.10	.60	
3 glasses Jelly,	.10	.30	8.30

—8—

Sold for cash,

1 can Peas,	.15		
3 lb. Tea,	.50	1.50	
1 " Coffee,	.40	2.05	

—10—

Sold to Warren Harvey, on account,

1 lb. Coffee,	.40		
1 can Corn,	.15	.55	

—10—

Sold to Martin Horn, on account,

2 doz. Oranges,	.40	.80	
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## — 11 —

Bought from Henry Wilson, 824 Gold St., New York, on account,

1 tub Creamery Butter, 70 lb.,	.22	15.40	
6 4-lb. pails Lard, 24 lb.,	.08	1.92	17.32

## — 11 —

Sold for cash,

3 bu. Potatoes,	.70	2.10	
$\frac{1}{2}$ doz. Lemons,	.13		
3 cans Corn,	.15	.45	2.68

## — 12 —

Paid freight on Butter, \$1.50.

## — 12 —

Sold to James Ely, on account,

1 pk. Potatoes,	.20		
1 can Peas,	.15		
1 doz. Lemons,	.25		
1 pail Lard,	.45	1.05	

## — 12 —

Received from Marshall Wolf, 30-day note in payment of bill of 8th, \$8.30.

## — 13 —

Sold to Angus Brown, on account,

1 glass Jelly,	.10		
1 pail Lard,	.45	.55	

## — 13 —

Sold to Harvey Brown, for cash,

3 lb. Creamery Butter,	.29	.87	
1 " Coffee,		.40	
1 can Corn,		.15	1.42

## — 13 —

Sold to Henry Rothermore, 12 Webster Ave., on account,

3 lb. Creamery Butter,	.29	.87	
1 " Oolong Tea,		.50	
1 " Coffee,		.40	
3 glasses Jelly,	.10	.30	
17 lb. Sugar,		1.00	
1 can Corn,		.15	3.22

— 14 —

Sold to Martin Horn, on account,

1 can Corn, .15

$\frac{1}{2}$  doz. Lemons, .13 .28

— 14 —

Bought from Edwards & Hastings, on account,

1 bbl. Flour, 5.00

— 14 —

Sold to Warren Harvey, on account,

1 glass Jelly, .10

3 cans Tomatoes, .10 .30

1 lb. Butter, .29 69

— 14 —

Sold for cash,

17 lb. Sugar, 1.00

150 " Flour, 6.00 7.00

— 15 —

Sold to Thomas Carroll, 617 Gibson St., on account,

2 doz. Oranges, .40 .80

1 can Peas, .15

1 pk. Potatoes, .20

1 pail Lard, .45

1 lb. Butter, .29

1 " Tea, .50 2.39

— 15 —

Sold to William Sloat, on account,

1 glass Jelly, .10

— 15 —

Sold to James Ely, on account,

50 lb. Flour, 2.00

17 " Sugar, 1.00 3.00

— 15 —

Gave Henry Wilson my 10-day note, in payment of invoice of 11th, \$17.32.

— 17 —

Sold to Henry Rothermore, on account,

1 lb. Oolong Tea, .50

— 17 —

Sold to Angus Brown, on account,  
1 can Peas, .15

— 17 —

Sold to Thomas Carroll, on account,  
1 doz. Lemons, .25  
1 can Tomatoes, .10 .35

— 18 —

Sold to Martin Horn, on account,  
1 lb. Coffee, .40

— 18 —

Sold to Angus Brown, on account,  
17 lb. Sugar, 1.00  
1 can Corn, .15  
1 " Tomatoes, .10 1.25

— 18 —

Sold for cash,  
25 lb. Flour, 1.00  
3 " Tea, .50 1.50  
1 bu. Potatoes, .70 3.20

— 19 —

Bought from Mylert & Co., 16 Cortlandt St., New York,  
on account,

1 bbl. Molasses, 10.08  
10 gal. Vinegar, .15 1.50 11.58

— 19 —

Received cash from William Sloat, in full of account,  
\$19.00.

— 20 —

Paid cash for fuel, \$6.50.

— 20 —

Sold for cash,  
1 gal. Molasses, .60

— 20 —

Sold to Warren Harvey, on account,  
17 lb. Sugar, 1.00  
3 " Coffee, .40 1.20  
2 lb. Oolong Tea, .50 1.00  
1 gal. Molasses, .60 3.80

— 21 —

Sold to Martin Handley, 16 Phelps St., on account,

3 gal. Molasses,	.60	1.80	
1 " Vinegar,		.28	
17 lb. Sugar,		1.00	3.08

— 21 —

Sold to Martin Horn, on account,

3 cans Corn,	.15	.45	
3 " Tomatoes,	.10	.30	
4 lb. Creamery Butter,	.29	1.16	
3 " Coffee,	.40	1.20	
2 " Oolong Tea,	.50	1.00	4.11

— 21 —

Sold for cash,

4 cans Corn,	.15	.60	
3 " Tomatoes,	.10	.30	.90

— 21 —

Gave Mylert & Co. my 30-day note in payment of invoice  
of 19th, \$11.58.

— 22 —

Sold to Warren Harvey, on account,

1 gal. Vinegar,	.28	
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— 22 —

Sold to Miles Gibbons, 1015 Jackson St., on account,

1 bu. Potatoes,	.70	
1 gal. Molasses,	.60	
1 doz. Oranges,	.40	
1 " Lemons,	.25	
3 cans Corn,	.15	.45 2.40

— 22 —

Bought from Gilmore &amp; Co., on account,

25 sacks Salt,	.10	2.50
14 Brooms,	.25	3.50 6.00

— 22 —

\* Sold to Angus Brown, on account,

1 sack Salt,	.15	
1 Broom,	.40	.55

— 24 —

Sold to Henry Rothermore, on account,  
1 can Corn, .15

— 24 —

Sold to Martin Horn, on account,  
1 gal. Molasses, .60

— 24 —

Sold to Thomas Carroll, on account,  
1 Broom, .40

— 25 —

Sold to Angus Brown, on account,  
1 Broom, .40  
1 can Tomatoes, .10 .50

— 25 —

Paid my 10-day note in favor of Henry Wilson, due today,  
\$17.32.

— 25 —

Sold for cash,  
2 Brooms, .40 .80  
1 gal. Molasses, .60  
1 " Vinegar, .28  
1 glass Jelly, .10 1.78

— 25 —

Sold to Warren Harvey, on account,  
1 can Corn, .15  
1 " Peas, .15 .30

— 26 —

Sold to Henry Rothermore, on account,  
1 lb. Creamery Butter, .29

— 26 —

Sold to Angus Brown, on account,  
1 gal. Molasses, .60  
1 can Corn, .15 .75



— 27 —

Sold to Wilfred Constance, 315 River St., on account,

1 sack Salt,	.15	
1 can Peas,	.15	
1 gal. Molasses,	.60	
1 " Vinegar,	.28	1.18

— 27 —

Sold to Warren Harvey, on account,

1 bu. Potatoes,	.70	
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— 27 —

Sold to Thomas Carroll, on account,

1 bu. Potatoes,	.70	
1 doz. Lemons,	.25	.95

— 28 —

Sold to Martin Horn, on account,

1 gal. Vinegar,	.28	
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— 28 —

Sold for cash,

3 Brooms,	.40	1.20
6 lb. Tea,	.50	3.00
2 " Coffee,	.40	.80 5.00

— 28 —

Paid Edwards &amp; Hastings, on account, \$25.00.

— 28 —

Rule date lines in Journal.

Balance and rule Cash Book.

Post to Ledger, Journal first, then Cash Book.

Make out an itemized statement of James Ely's account  
and an unitemized statement of Angus Brown's account.  
See Art. 20.

Make out a Statement of the Business.

Charge Warren E. Smith with the loss and post to his  
account in the Ledger. Balance and rule account.

## INVENTORY

Estimated value of goods on hand,

\$76.96



# SINGLE-ENTRY BOOKKEEPING

(PART 3)

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## EXAMINATION SET

The following transactions are to be worked out by the student in the accompanying book marked "Blanks for Single-Entry Bookkeeping, Part 3." The student's name, address, and class letter and number should be written on the cover, and the book returned to us for examination. The index will be found on page 1. Let the writing and figures be small and without shade. Be very careful with the work and endeavor to produce accurate results.

In making the entries, follow the forms shown in the Model Set. In this Section, we post from both Journal and Cash Book; be particularly careful in handling the cash entries.

The proprietors of the business are James Early and George L. Walters, under the firm name of Early & Walters, and the student is their bookkeeper. In this practice work the bookkeeper signs the names of the various people whose signatures are needed, attesting them with the initials of his own name.

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## TRANSACTIONS

SCRANTON, PA., MARCH 1, 190

A copartnership has this day been formed between James Early and George L. Walters for the purpose of carrying on a Provision Business at 147 Market St., Scranton, Pa.

The store has been leased from E. E. Mason, for one year, at a monthly rental of \$45.00, payable monthly in advance. The style of the firm name is to be Early & Walters. The gains or losses are to be shared equally.

James Early invests cash,	1500.00
George L. Walters invests cash,	1500.00

— 1 —

Received the following invoices for goods purchased. Goods received and found to be O. K.

Brown Bros., 113 Fulton St., New York,			
5 bbl. L. S. Flour,	3.75	18.75	
500 lb. Buckwheat Flour,	2.20	11.00	29.75
W. A. Marshall, 47 Vine St., Philadelphia, Pa.,			
3 cases Canned Peas, 6 doz.,	1.12	6.72	
4 " " Peaches, 8 doz.,	1.20	9.60	
3 " " Tomatoes, 6 doz.,	1.10	6.60	
3 doz. Canned Baked Beans,	.90	2.70	
2 " " Soups,	1.50	3.00	
3 tubs Creamery Butter, 148 lb.,	.20	29.60	58.22
Darrah & Dalton, 76 Main St., Wilkes-Barre, Pa.,			
5 bbl. Graham Flour,	3.50	17.50	
200 lb. Corn Meal,	1.85	3.70	21.20

— 1 —

Paid E. E. Mason, rent of store for one month in advance, \$45.00.

— 2 —

Bought from Darrah & Dalton, on account,			
12 bbl. Sweet Potatoes,	2.30	27.60	
55 bu. White Potatoes,	1.05	57.75	
15 bbl. Winter Apples,	3.15	47.25	132.60

— 2 —

Paid insurance premium on policy taken out today, \$15.00.

— 2 —

Paid Manning & Co., 12 Washington Ave., for furniture, etc., for store room, as per bill rendered, \$75.45.

— 2 —

Sold for cash,

3½ lb. Creamery Butter,	.25	.88	
2 cans Peaches,		.25	
½ bbl. Winter Apples,	3.95	1.98	3.11

— 2 —

Sold for cash,

½ doz. Canned Peaches,	1.42	.36	
3 bu. White Potatoes,	1.35	4.05	
1 bbl. Sweet Potatoes,		3.15	7.56

— 3 —

Sold to Joseph Evans, 139 10th St., on account,

1 can Peas,		.15	
2 " Peaches,		.25	
10 lb. Corn Meal,	2.28	.23	
1 can Tomatoes,		.12	.75

— 3 —

Bought from W. A. Marshall, on account,

5 boxes Cream Cheese, 175 lb.,	.15	26.25	
3 " No. 1 Oranges,	2.00	6.00	
2 " No. 2 Oranges,	1.75	3.50	
2 bbl. Vinegar, 84 gal.,	.12	10.08	
2 bu. White Beans,	1.42	2.84	48.67

— 3 —

Sold for cash,

1 bu. White Potatoes,		1.35	
2 gal. Vinegar,	.22	.44	
50 lb. Buckwheat Flour,	2.50	1.25	3.04

— 4 —

Sold to John Hall, 202 Monroe Ave., on account,

½ bbl. Winter Apples,	3.95	1.98	
10 lb. Cream Cheese,	.22	2.20	4.18

— 4 —

Sold to Windsor Hotel, Wilkes-Barre, Pa., on account,

2 tubs Creamery Butter, 89 lb.,	.25	22.25	
250 lb. Buckwheat Flour,	2.50	6.25	28.50

— 4 —

Received from Buckingham Creamery Co., Dalton, Pa.,  
for sale on commission, Consignment No. 1, as follows:

8 boxes Cream Cheese, 256 lb.

6 tubs Creamery Butter, 251 lb.

— 4 —

Paid freight on the above consignment, \$2.27.

— 5 —

Paid Brown Bros., in full for their invoice of March 1,  
\$29.75.

— 5 —

Sold for cash,

1 bbl. Winter Apples, 3.95

1 " Sweet Potatoes, 3.15 7.10

— 6 —

Sold to J. T. Hamlin, 18 Spruce St., on account of Con-  
signment No. 1 from Buckingham Creamery Co.,

4 boxes Cream Cheese, 130 lb., .22 28.60

3 tubs Creamery Butter, 127 lb., .25 31.75 60.35

— 6 —

Delivered to James Early, 1021 Clay Ave., for private use,

4 lb. Cream Cheese, .22 .88

10 " Creamery Butter, .25 2.50

• 3 bu. White Potatoes, 1.35 4.05 7.43

— 8 —

Sold for cash,

3 gal. Vinegar, .22 .66

2 cans Peas, .15 .30

1 " Peaches, .13

3 " Tomatoes, .12 .36

12 lb. Creamery Butter, .25 3.00 4.45

— 8 —

Sold to E. A. Alpaugh, 49 Marion St., on account,

25 lb. Buckwheat Flour, 2.50 .63

2 bu. White Potatoes, 1.35 2.70 3.33

— 9 —

Sold to George Carpenter, 410 W. Lackawanna Ave., on account,

‡ bbl. Winter Apples,	3.95	1.98
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— 9 —

Sold to Windsor Hotel, on account,

3 bbl. Sweet Potatoes,	3.15	9.45
2 doz. Canned Peaches,	1.42	2.84
4 " " Tomatoes,	1.30	5.20
3 " " Peas,	1.50	4.50
3 bbl. Winter Apples,	3.95	11.85
100 lb. Buckwheat Flour,	2.50	36.34

— 10 —

Received cash from J. T. Hamlin, for bill of March 6, \$60.35.

— 10 —

Bought from Brown Bros., on account,

6 sacks Shell Oysters,	2.65	15.90
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— 11 —

Darrah & Dalton make sight draft on us for their invoice of March 1, which we pay, \$21.20.

— 12 —

Sold for cash,

‡ sack Shell Oysters,	3.15	1.58
3 bu. White Potatoes,	1.35	4.05
‡ bbl. Winter Apples,	3.95	1.98 7.61

— 12 —

Sold to J. T. Hamlin, on account of Consignment No. 1 from Buckingham Creamery Co.,

4 boxes Cream Cheese, 126 lb.,	.22	27.72
3 tubs Creamery Butter, 124 lb.,	.25	31.00 58.72

— 14 —

Sold to George Carpenter, on account,

3 gal. Vinegar,	.22	.66
1 box No. 2 Oranges,		2.25
25 lb. Corn Meal,	2.28	.57
5 lb. Cream Cheese,	.22	1.10
10 lb. Creamery Butter,	.25	2.50 7.08

## — 14 —

Render Account Sales to Buckingham Creamery Co., for  
Consignment No. 1, as follows:

8 boxes Cream Cheese, 256 lb.,	.22	56.32	
6 tubs Creamery Butter, 251 lb.,	.25	62.75	119.07
Charges: Freight,		2.27	
Storage,		.85	
Insurance,		.95	
Commission,		5.95	10.02

Net proceeds, 109.05.

## — 14 —

Paid Buckingham Creamery Co., in settlement of Consignment No. 1, as per Account Sales rendered, \$109.05.

## — 14 —

Sold for cash,

1 bbl. Sweet Potatoes,		3.15	
1 " Winter Apples,		3.95	
3 cans Peaches,		.38	
3 " Tomatoes,	.12	.36	7.84

## — 16 —

Sold for cash,

5 gal. Vinegar,	.22	1.10	
50 lb. Buckwheat Flour,	2.50	1.25	
2 bbl. L. S. Flour,	4.55	9.10	11.45

## — 16 —

Paid to W. A. Marshall, on account, \$25.00.

## — 16 —

Sold to E. A. Alpaugh, on account,

$\frac{1}{2}$ bu. White Potatoes,	1.35	.68	
25 lb. Corn Meal,	2.28	.57	
$\frac{1}{2}$ bbl. L. S. Flour,	4.55	2.28	3.53

## — 16 —

Bought from Darrah & Dalton, on account,

15 bbl. L. S. Flour,	3.75	56.25	
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## — 17 —

Made Shipment No. 1 to English & Co., Binghamton, N. Y., of the following goods to be sold on commission:

6 bbl. L. S. Flour,	3.75	22.50
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## — 17 —

Make sight draft on Windsor Hotel, for bills to date, \$64.84.

## — 18 —

Sold for cash,

1 box No. 2 Oranges,		2.25	
6 lb. Creamery Butter,	.25	1.50	
3 " Cream Cheese,	.22	.66	4.41

## — 19 —

Bought from Brown Bros., on account,

1 case Fancy Cheese, 2 doz.,	1.80	3.60	
4 boxes No. 1 Oranges,	2.00	8.00	
4 " No. 2 "	1.75	7.00	18.60

## — 20 —

Sold to Joseph Evans, on account,

1 box No. 1 Oranges,		2.75	
$\frac{1}{2}$ doz. Canned Peaches,	1.42	.71	
3 cans Baked Beans,	.15	.45	
1 " Canned Soup,		.20	
10 lb. Corn Meal,	2.28	.23	
25 " Buckwheat Flour,	2.50	.63	4.97

## — 21 —

Sold for cash,

1 box No. 1 Oranges,		2.75	
3 cans Baked Beans,	.15	.45	
1 doz. Canned Soups,		2.00	
$\frac{1}{2}$ bbl. Graham Flour,	4.25	2.13	
1 " L. S. Flour,		4.55	11.88

## — 23 —

Sold to John Hall, on account,

$\frac{1}{2}$ bu. White Beans,	1.95	.98	
1 sack Shell Oysters,		3.15	4.13

— 23 —

Received Account Sales from Shipment No. 1 to English & Co., as follows:

6 bbl. L. S. Flour,	4.55	27.30
Charges: Freight,	2.15	
Storage,	.85	
Commission,	1.37	4.37
Net proceeds,		22.93

— 23 —

Received check to cover Account Sales as above, \$22.93.

— 24 —

Bought from Darrah & Dalton, on account,

3 bbl. Sweet Potatoes,	2.30	6.90
4 " Winter Apples,	3.15	12.60
1 tub Creamery Butter, 44 lb.,	.20	8.80
10 bu. White Potatoes,	1.10	11.00
		39.30

— 25 —

Sold to E. A. Alpaugh, on account,

4 cans Tomatoes,	.12	.48
4 " Peas,	.15	.60
½ doz. Canned Peaches,	1.42	.71
2 gal. Vinegar,	.22	.44
½ bu. White Potatoes,	1.35	.68
		2.91

— 26 —

Received from Buckingham Creamery Co., for sale on commission, Consignment No. 2, as follows:

4 boxes Cream Cheese, 146 lb.  
3 tubs Creamery Butter, 129 lb.

— 26 —

Paid freight on above consignment, \$1.87.

— 28 —

Sold to George Carpenter, on account,

1 bbl. Winter Apples,		3.95
6 cans Tomatoes,	.12	.72
2 " Baked Beans,	.15	.30
3 " Peas,	.15	.45
½ sack Shell Oysters,	3.15	1.58
		7.00

— 28 —

Delivered to James Early, for private use,

$\frac{1}{2}$ bbl. Sweet Potatoes,	3.15	1.58	
$\frac{1}{2}$ " Winter Apples,	3.95	1.98	
2 jars Fancy Cheese,	.25	.50	
25 lb. Corn Meal,	2.28	.57	4.63

— 28 —

Bought from Darrah &amp; Dalton, on account,

500 lb. Buckwheat Flour,	2.20	11.00	
200 lb. Corn Meal,	1.85	3.70	14.70

— 30 —

Received from George Carpenter, cash on account, \$5.00.

— 30 —

Received from E. A. Alpaugh, cash for bill of the 8th, \$3.33.

— 30 —

Sold to Joseph Evans, on account,

10 lb. Creamery Butter,	.25	2.50	
2 " Cream Cheese,	.22	.44	
1 jar Fancy Cheese,		.25	
1 bu. White Potatoes,		1.35	4.54

— 31 —

Paid clerks' salaries for the month, \$85.

— 31 —

Paid freight bills for the month, \$19.27.

— 31 —

Sent Darrah &amp; Dalton check for amount due to date, \$242.85.

— 31 —

Balance and rule Cash Book.

Rule date lines in Journal.

Post from the Journal and Cash Book to the Ledger, and rule each account when it balances.

Draw off a Statement of the Face of the Ledger.

Draw off a list of the Accounts Receivable, Envelope System.

Take an inventory. (Use the figures given in the inventories that follows.)

Make out a Statement of the Business.

Make an entry in the Journal to adjust the loss or gain between the partners and post to their accounts in the Ledger.

Balance and rule Shipment and Consignment accounts that should be closed; also, Rent, Storage, Commission, Freight, and Expense accounts.

Enter inventories in red ink on the credit side of Insurance, and Furniture and Fixtures accounts; balance and rule in red ink and bring down the inventories, in black ink, on the opposite side of the account, as amounts on hand to begin the next business period.

# INVENTORIES

## *Merchandise*

ARTICLE	QUANTITY	COST	TOTAL
Winter Apples,	10½ bbl.	3.15	33.07
Beans, White,	1½ bu.	1.42	2.13
Buckwheat Flour,	500 lb.	2.20	11.00
Canned Baked Beans,	28 cans	.90	2.10
"    Peas,	26 "	1.12	2.43
"    Peaches,	49 "	1.20	4.90
"    Soups,	11 "	1.50	1.37
"    Tomatoes,	7 "	1.10	.64
Cheese, Cream,	151 lb.	.15	22.65
"    Fancy,	21 jars	1.80	3.15
Creamery Butter,	51½ lb.	.20	10.30
Corn Meal,	305 lb.	1.85	5.64
Flour, Graham,	4½ bbl.	3.50	15.75
"    L. S.,	10½ "	3.75	39.37
Oysters, Shell,	4 sacks	2.65	10.60
Oranges, No. 1,	5 boxes	2.00	10.00
"    No. 2,	4 "	1.75	7.00
Potatoes, Sweet,	8½ bbl.	2.30	19.55
"    White,	51 bu.	1.05	53.55
Vinegar,	69 gal.	.12	8.28
			<u>263.48</u>

## *Insurance*

½ amount paid,	13.75
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## *Furniture and Fixtures*

Furniture and Fixtures on hand,	71.50
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# DOUBLE-ENTRY BOOKKEEPING

## (PART 1)

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### EXAMINATION SET

The following transactions are to be worked out by the student on the blanks in the accompanying book marked "Blanks for Double-Entry Bookkeeping, Part 1." In this work, follow the methods explained in the instructions and shown in the Model Set. No directions are given with these transactions; in case the student is in doubt as to the proper entry to be made, a reference to a similar transaction in the Model Set will give the desired information. Only three blank checks and one deposit slip are given in the blank book. On the back of the check-stubs, keep a record of the deposits made and all checks issued. Make deposits daily. Whenever, in posting, an account, or part of an account, balances, rule it up. When the set is complete, write your name, address, and class letters and number on the cover of the book and send it in for examination and correction.

Rule up, in red ink, as shown in Fig. 15 of the text, the ledger page given on page 4 of the blank book. Do the work neatly, ruling all lines without retracing or patching, and give special attention to beginning and ending the lines at the points intended.

In making an entry, be sure to give a full and complete explanation of the transaction. Cash sales need not be itemized, because there is no future to them; the seller has the money and the buyer has the goods. Sales on account must be fully itemized, because, if it becomes necessary to bring suit against the buyer for payment, the seller will be

required to furnish an itemized statement of the goods sold; otherwise, the suit would be dismissed. Purchases need not be itemized, for it is supposed that the parties from whom the goods are bought will furnish a bill, or invoice, for each purchase, and the invoice will show all the particulars as to quantities, prices, and amounts.

When an error is made in making an entry, do not erase the work but draw a light red line through it and begin again; erasures detract from the value of a set of books as evidence in trials in court, and should be avoided.

In this practice work the bookkeeper signs the names of the various people whose signatures are needed, and attests them with the initials of his own name.

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#### INVENTORY

ARTICLE	QUANTITY	COST	AMOUNT
Apples,	125 bbl.	2.10	262.50
Barley,	67 bu.	.60	40.20
Beans,	25 "	.90	22.50
Beef,	28 bbl.	6.20	173.60
Fish,	26 "	12.25	318.50
Flour,	47 "	5.60	263.20
Pork,	37 "	9.60	355.20
Salt,	25 "	.90	22.50
			<hr/> 1458.20

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#### PRICE LIST

ARTICLE	QUANTITY	COST PRICE	SELLING PRICE
Apples,	bbl.	2.10	2.50
Barley,	bu.	.60	.75
Beans,	"	.90	1.10
Beef,	bbl.	6.20	6.95
Fish,	"	12.25	12.75
Flour,	"	5.60	6.60
Pork,	"	9.60	10.60
Salt,	"	.90	1.25

## TRANSACTIONS

SCRANTON, PA., APRIL 1, 190

I, Warren E. Smith, have this day commenced business at 16 Lackawanna Ave., as a wholesale provision dealer.

Leased the store at the above place from T. O. Wilkins at \$40.00 per month, payable in advance.

My resources and liabilities are as follows:

*Resources*

Cash,	2194.68
Merchandise as per inventory,	1458.20
F. M. James, Jermyn, Pa.,	196.15

*Liabilities*

T. H. Benson, 432 Arch St., Philadelphia,	96.12
Warren E. Smith's net investment,	3752.91

## —1—

Paid T. O. Wilkins, for April rent, \$40.00.

## —3—

Bought from Hughes & Emmons, 205 Grand St., New York, on account,

10 bbl. Flour,	5.60	56.00
15 " Beef,	6.20	93.00
75 " Apples,	2.10	157.50
250 bu. Barley,	.60	150.00
		456.50

## —4—

Sold to H. E. Woodward, Mayfield, Pa., on account,

10 bbl. Flour,	6.60	66.00
1 " Beef,		6.95
25 bu. Barley,	.75	18.75
5 " Beans,	1.10	5.50
1 bbl. Pork,		10.60
		107.80

## —5—

Sold to George Thompson, 212 Vine St., on account,

5 bu. Beans,	1.10	5.50
1 bbl. Beef,		6.95
2 " Salt,	1.25	2.50
		14.95

## — 5 —

Sold for cash,

45 bu. Barley,	.75	33.75	
1 bbl. Salt,		1.25	
1 " Fish,		12.75	
1 " Beef,		6.95	54.70

## — 6 —

Bought from C. A. Jackson, 608 Greenwich St., New York,  
on account,

8 bbl. Pork,	9.60	76.80	
12 " Salt,	.90	10.80	
9 " Fish,	12.25	110.25	
75 bu. Beans,	.90 -	67.50	265.35

## — 6 —

Sold to H. E. Woodward, on account,

3 bbl. Salt,	1.25	3.75	
10 " Apples,	2.50	25.00	
5 " Fish,	12.75	63.75	92.50

## — 7 —

Sold to George Thompson, on account,

30 bu. Barley,	.75	22.50	
5 bbl. Flour,	6.60	33.00	55.50

## — 7 —

Sold for cash,

4 bbl. Pork,	10.60	42.40	
10 " Flour,	6.60	66.00	
2 " Salt,	1.25	2.50	
5 " Fish,	12.75	63.75	174.65

## — 8 —

Bought from H. C. Johnson, 99 Barclay St., New York, on  
account,

10 bbl. Fish,	12.25	122.50	
5 " Salt,	.90	4.50	127.00

## — 10 —

Paid cash for repairs on floor, \$4.50.



## — 10 —

Sold to H. E. Woodward, on account,

10 bu. Beans,	1.10	11.00	
15 " Barley,	.75	11.25	
3 bbl. Beef,	6.95	20.85	
10 " Flour,	6.60	66.00	109.10

## — 11 —

Received a 30-day note from F. M. James, in payment of his account, \$196.15.

## — 11 —

Received from H. E. Woodward, cash on account, \$50.00.

## — 12 —

Sold to F. M. James, on account,

12 bbl. Apples,	2.50	30.00	
5 " Beef,	6.95	34.75	
15 bu. Barley,	.75	11.25	
3 bbl. Pork,	10.60	31.80	107.80

## — 13 —

Gave Hughes & Emmons my 10-day note in payment of invoice of 3d, \$456.50.

## — 14 —

Sold to George Jones, Olyphant, Pa., on account,

8 bbl. Apples,	2.50	20.00	
3 " Salt,	1.25	3.75	23.75

## — 15 —

Paid C. A. Jackson, on account, \$150.00.

## — 17 —

Sold for cash,

15 bbl. Apples,	2.50	37.50	
50 bu. Barley,	.75	37.50	
10 " Beans,	1.10	11.00	
3 bbl. Beef,	6.95	20.85	106.85

## — 18 —

Paid for 50 stamps, \$1.00.

— 18 —

Paid H. C. Johnson, for invoice of 8th, \$127.00.

— 18 —

Bought from H. C. Johnson, on account,

5 bbl. Fish,	12.25	61.25	
15 " Flour,	5.60	84.00	145.25

— 19 —

Sold to H. E. Woodward, on account,

3 bbl. Pork,	10.60	31.80	
12 " Apples,	2.50	30.00	
30 bu. Barley,	.75	22.50	84.30

— 19 —

Bought from Hughes & Emmons, on account,

10 bbl. Fish,	12.25	122.50	
3 " Salt,	.90	2.70	
15 " Flour,	5.60	84.00	209.20

— 19 —

Sold for cash,

20 bu. Barley,	.75	15.00	
5 bbl. Fish,	12.75	63.75	
10 " Apples,	2.50	25.00	103.75

— 21 —

Received cash from H. E. Woodward, on account, \$150.30.

— 23 —

Sold for cash,

5 bbl. Apples,	2.50	12.50	
10 bu. Barley,	.75	7.50	20.00

— 23 —

Paid my 10-day note in favor of Hughes & Emmons,  
due today, \$456.50.

— 25 —

Paid cash for printing, \$4.25.

— 27 —

Sold to H. E. Woodward, on account,  
     2 bbl. Fish,       12.75     25.50  
   50 bu. Barley,     .75       37.50  
   15 bbl. Apples,   2.50     37.50   100.50.

— 28 —

Sold for cash,  
     18 bu. Beans,     1.10     19.80  
     2 bbl. Pork,     10.60    21.20  
     5 " Apples,     2.50     12.50   53.50

— 28 —

Sold for cash,  
     20 bu. Barley,     .75     15.00  
     9 bbl. Apples,    2.50    22.50  
     2 " Beef,        6.95    13.90   51.40

— 30 —

Rule date lines in Journal.

Balance and rule Cash Book.

Post to Ledger, from Journal and Cash Book.

Inventory, \$1,569.80.

Make an inventory.

Make out a Statement of the Business.

Close the books and bring down inventories and balances.



# DOUBLE-ENTRY BOOKKEEPING

(PART 2)

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## EXAMINATION SET

The following transactions are to be worked out by the student on the blanks in the accompanying book marked "Blanks for Double-Entry Bookkeeping, Part 2." It will be unnecessary to give directions here for this work, since the student should already be familiar with it from a study of the instructions and the Model Set. When the work is complete, write your name, address, and class letter and number on the cover of the book and send it in for examination and correction. The index to the blanks will be found on page 1.

No price list is given here, since the prices are the same as those given in the Model Set; the price list given there can be used for these transactions, if necessary.

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### INVENTORY

ARTICLE	QUANTITY	COST	AMOUNT
Corn,	750 lb.	1.20	9.00
Corn Meal,	500 "	1.20	6.00
Feed,	800 "	1.20	9.60
Hay,	4½ tons	14.50	65.25
Oatmeal,	175 lb.	.04	7.00
Oats,	53 bu.	.50	26.50
Shorts,	1500 lb.	1.20	18.00
Straw,	7 tons	10.00	70.00
			<u>211.35</u>

## TRANSACTIONS

SCRANTON, PA., MAY 1, 190

E. T. Joyce and H. W. Morse have this day formed a copartnership for the purpose of conducting a Retail Grain and Feed Business at 212 State St.

The store room at the above place has been rented from J. D. Farrell, for one year, at \$75.00 per month, payable monthly in advance.

The style of the firm name is to be Joyce & Morse.

The losses and gains are to be shared equally.

The investments are as follows:

## E. T. JOYCE

Cash,	1956.16
Notes Receivable, due June 10, John Rogers & Co.,	125.00
Notes Receivable, due June 15, H. D. Clark,	65.00
Merchandise, as per inventory,	211.35

*Accounts due Joyce*

G. D. Collins, 917 Myrtle St.,	29.50	
E. S. Willis, 1015 Linden St.,	17.74	
H. M. Jones, 612 Jackson St.,	43.75	
A. S. Walker, 727 Gibson St.,	51.50	2500.00

*Accounts Joyce owes*

W. E. Taft, 609 East St., New York,	51.00	
Lamb Bros., 825 Fulton St., New York	127.00	
S. C. Williams & Co., 203 West St., New York,	121.30	299.30
E. T. Joyce's net investment,		2200.70

## H. W. MORSE

Cash,	2200.00
-------	---------

— 1 —

Paid to J. D. Farrell, for rent of store for month of May,  
\$75.00.

## — 1 —

Received the following invoices for goods bought on account. Goods checked and found to be O. K.

Lamb Bros.,

50 bu. Oats,	.50	25.00	
1000 lb. Corn,	1.20	12.00	37.00

S. C. Williams & Co.,

12 tons Hay,	14.50	174.00	
8 " Straw,	10.00	80.00	254.00

H. F. Smith, 304 Barclay St., New York,

750 lb. Oil Meal,	1.50	11.25	
900 " Oil Cake,	1.50	13.50	24.75

W. E. Taft,

800 lb. Corn Meal,	1.20	9.60	
200 " Oatmeal,	.04	8.00	17.60

## — 2 —

Sold to H. W. Morse, 912 Monroe Ave., on account,

200 lb. Feed,	1.60	3.20	
7 bu. Oats,	.65	4.55	
250 lb. Corn,	1.60	4.00	11.75

## — 2 —

Sold to John Rogers & Co., 115 Ninth St., on account,

4½ tons Hay,	17.00	76.50	
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## — 2 —

Sold for cash,

150 lb. Oatmeal,	.05	7.50	
150 " Corn Meal,	1.60	2.40	
100 " Feed,		1.60	11.50

## — 2 —

Paid to Lamb Bros., amount due May 1, \$127.00.

## — 3 —

Paid cash to S. C. Williams & Co., for balance due May 1, \$121.30.

— 3 —

Sold to D. I. Easton, 804 River St., on account,

300 lb. Feed,	1.60	4.80	
2 tons Hay,	17.00	34.00	38.80

— 4 —

Sold for cash,

1 ton Straw,		12.00	
350 lb. Corn,	1.60	5.60	
25 bu. Oats,	.65	16.25	33.85

— 4 —

Received cash from E. S. Willis, to cover balance due  
May 1, \$17.74.

— 4 —

Received cash from G. D. Collins, to cover balance due  
May 1, \$29.50.

— 5 —

Sold to H. E. March, 239 Elm St., on account,

6 bu. Oats,	.65	3.90	
100 lb. Feed,		1.60	
100 " Oil Meal		2.00	7.50

— 5 —

Bought from H. F. Smith, on account,

1250 lb. Bran,	1.20	15.00	
1500 " Feed,	1.20	18.00	33.00

— 5 —

Sold for cash,

1 ton Hay,		17.00	
10 bu. Oats,	.65	6.50	
100 lb. Feed,		1.60	25.10

— 7 —

Sold to G. D. Collins, on account,

1 ton Hay,		17.00	
1 " Straw,		12.00	
7 bu. Oats,	.65	4.55	
150 lb. Corn,	1.60	2.40	35.95



— 7 —

Received cash from H. M. Jones, for balance due May 1,  
\$43.75.

— 8 —

Sold to J. T. Harris, 506 Eynon St., on account,  
2 tons Straw, 12.00 24.00  
250 lb. Shorts, 1.60 4.00 28.00

— 8 —

Bought from Lamb Bros., on account,  
1000 lb. Shorts, 1.20 12.00

— 8 —

Sold for cash,  
200 lb. Corn Meal, 1.60 3.20  
50 " Oatmeal, .05 2.50  
100 " Oil Cake, 2.00 7.70

— 9 —

Sold to E. S. Willis, on account,  
1½ tons Straw, 12.00 18.00  
2 " Hay, 17.00 34.00 52.00

— 9 —

Sold for cash,  
1 ton Straw, 12.00  
150 lb. Oil Cake, 2.00 3.00  
175 " Corn, 1.60 2.80 17.80

— 10 —

Sold to E. T. Joyce, 1212 Jefferson Ave., on account,  
2 tons Hay, 17.00 34.00  
300 lb. Feed, 1.60 4.80 38.80

— 10 —

Sold for cash,  
50 lb. Oatmeal, .05 2.50  
500 " Corn Meal, 1.60 8.00  
500 " Shorts, 1.60 8.00  
1½ tons Straw, 12.00 18.00 36.50

— 10 —

Received from A. S. Walker, for balance due May 1, \$51.50.

— 11 —

Sold to D. I. Easton, on account,

250 lb. Corn,	1.60	4.00	
300 " Shorts,	1.60	4.80	
500 " Bran,	1.60	8.00	
10 bu. Oats,	.65	6.50	23.30

— 11 —

Paid to Lamb Bros., for their invoice of May 1, \$37.00.

— 11 —

Sold for cash,

2 tons Hay,	17.00	34.00	
3 " Straw,	12.00	36.00	70.00

— 12 —

Bought from H. F. Smith, on account,

500 lb. Bran,	1.20	6.00	
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— 12 —

Sold for cash,

250 lb. Bran,	1.60	4.00	
15 bu. Oats,	.65	9.75	
500 lb. Shorts,	1.60	8.00	21.75

— 12 —

Sold to J. T. Harris, on account,

250 lb. Oil Meal,	2.00	5.00	
150 " Oil Cake,	2.00	3.00	8.00

— 14 —

Sold to A. S. Walker, on account,

350 lb. Corn Meal,	1.60	5.60	
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— 14 —

Sold for cash,

150 lb. Bran,	1.60	2.40	
125 " Corn,	1.60	2.00	
50 " Oatmeal,	.05	2.50	6.90

— 15 —

Bought from S. C. Williams &amp; Co., on account,

10 tons Hay,	14.50	145.00	
10 " Straw,	10.00	100.00	245.00

— 15 —

Bought from Lamb Bros., on account,

750 lb. Corn,	1.20	9.00	
100 bu. Oats,	.50	50.00	59.00

— 15 —

Paid to S. C. Williams &amp; Co., on account, \$200.

— 16 —

Sold to John Rogers &amp; Co., on account,

1 ton Straw,	12.00
--------------	-------

— 16 —

Received cash from H. W. Morse, to close his account,  
\$11.75.

— 16 —

Sold for cash,

1 ton Straw,		12.00	
1 " Hay,		17.00	
25 bu. Oats,	.65	16.25	
150 lb. Feed,	1.60	2.40	47.65

— 17 —

Received cash from John Rogers & Co., for bill of 2d,  
\$76.50.

— 18 —

Sold to G. D. Collins, on account,

250 lb. Corn,	1.60	4.00	
20 bu. Oats,	.65	13.00	17.00

— 18 —

Bought from W. E. Taft, on account,

750 lb. Corn Meal,	1.20	9.00	
250 " Oatmeal,	.04	10.00	19.00

— 19 —

Sold to H. M. Jones, on account,

250 lb. Corn Meal,	1.60	4.00	
10 bu. Oats,	.65	6.50	10.50

— 19 —

Sold to H. E. March, on account,

5 bu. Oats,	.65	3.25	
$\frac{1}{2}$ ton Hay,	17.00	8.50	11.75

— 21 —

Received cash from G. D. Collins, for bill of May 7, \$35.95.

— 21 —

Sold to E. S. Willis, on account,

100 lb. Corn,		1.60	
25 bu. Oats,	.65	16.25	
250 lb. Bran,	1.60	4.00	21.85

— 21 —

Sold for cash,

100 lb. Corn Meal,		1.60	
3 bu. Oats,	.65	1.95	
100 lb. Corn,		1.60	5.15

— 22 —

Paid to W. E. Taft, for balance due May 1, \$51.00.

— 22 —

Sold to E. T. Joyce, on account,

$1\frac{1}{2}$ tons Hay,	17.00	25.50	
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— 24 —

Sold to D. I. Easton, on account,

1 ton Hay,	17.00	
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— 24 —

Paid to Lamb Bros., for their invoice of May 8, \$12.00.

— 25 —

Sold to E. S. Willis, on account,

250 lb. Shorts,	1.60	4.00	
5 bu. Oats,	.65	3.25	7.25

— 25 —

Sold to H. M. Jones, on account,

1 ton Hay,	17.00	
1 " Straw,	12.00	29.00

— 26 —

Bought from Lamb Bros., on account,  
 1000 lb. Bran, 1.20 12.00  
 50 bu. Oats, .50 25.00 37.00

— 26 —

Sold to A. S. Walker, on account,  
 2 tons Hay, 17.00 34.00  
 25 bu. Oats, .65 16.25 50.25

— 28 —

Sold to J. T. Harris, on account,  
 125 lb. Corn Meal, 1.60 2.00  
 125 " Oatmeal, .05 6.25 8.25

— 28 —

Received from D. I. Easton, cash for bill of May 3, \$38.80.

— 29 —

Sold to John Rogers & Co., on account,  
 250 lb. Oil Cake, 2.00 5.00  
 350 " Corn Meal, 1.60 5.60 10.60

— 29 —

Sold to H. M. Jones, on account,  
 1 ton Hay, 17.00

— 30 —

Sold to H. E. March, on account,  
 1 ton Straw, 12.00  
 10 bu. Oats, .65 6.50 18.50

— 30 —

Bought from H. F. Smith, on account,  
 50 bu. Oats, .50 25.00

— 30 —

Bought from W. E. Taft, on account,  
 350 lb. Corn Meal, 1.20 4.20

— 30 —

Paid to S. C. Williams & Co., for balance of invoice of  
 May 1, \$54.00.

— 31 —

Paid freight bills for the month, \$41.00.

— 31 —

Paid McGann &amp; Co., bill for cartage for the month, \$13.25.

— 31 —

Paid salaries for the month,

Bookkeeper,	50.00	
Bill Clerk,	25.00	
Warehouseman,	30.00	105.00

— 31 —

Rule, post, and close the books as directed for the Model Set, taking a Trial Balance of the totals of accounts and using the figures given in the accompanying inventory.

## INVENTORY

ARTICLE	QUANTITY	COST	AMOUNT
Bran,	1600 lb.	1.20	19.20
Corn,	750 "	1.20	9.00
Corn Meal,	375 "	1.20	4.50
Feed,	1050 "	1.20	12.60
Hay,	4 tons	14.50	58.00
Oil Cake,	250 lb.	1.50	3.75
Oil Meal,	400 "	1.50	6.00
Oatmeal,	200 "	.04	8.00
Oats,	95 bu.	.50	47.50
Shorts,	700 lb.	1.20	8.40
Straw,	10 tons	10.00	100.00
			<u>276.95</u>

# DOUBLE-ENTRY BOOKKEEPING

(PART 3)

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## EXAMINATION SET

The transactions given for this Examination Set of books are for the purpose of testing the knowledge of the student on the manner of handling such accounts. No difficulty should be experienced in this work, since it was fully explained and illustrated in the instructions and Model Set.

The accompanying book marked "Blanks for Double-Entry Bookkeeping, Part 3," contains the blanks on which these transactions are to be worked out. The index will be found on page 1. When the work is complete, write your name, address, and class letter and number on the cover and send it in for examination and correction.

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## TRANSACTIONS

SCRANTON, PA., JUNE 1, 190

A copartnership has this day been formed between Frank L. Cooper and James T. Wilson for the purpose of carrying on a wholesale meat business under the firm name of The Lackawanna Packing Company.

Frank L. Cooper invests in the business the building at 213 Cliff St., valued at	3500.00
James T. Wilson invests cash,	3500.00

The gains or losses are to be shared equally.

## — 1 —

Bought the following goods on account. Invoices checked and goods found to be O. K.

## Swift &amp; Co.,

# 5	2 Hinds,	271 lb.	.06 $\frac{1}{2}$	18.29	
# 7	2 "	225 "	.06 $\frac{1}{2}$	15.19	
# 27	1 "	97 "	.06 $\frac{1}{2}$	6.31	
# 18	1 "	99 "	.07 $\frac{1}{2}$	7.43	
# 22	1 "	113 "	.06 $\frac{1}{2}$	7.06	54.28

## Armour &amp; Co.,

# 7	1 Side Beef,	219 lb.	.06	13.14	
# 18	1 " "	227 "	.05 $\frac{1}{2}$	13.34	
	Pork Loins,	176 "	.09 $\frac{1}{2}$	17.38	
	10 S. Hams,	211 "	.10 $\frac{1}{2}$	21.63	
	20 Cal. Hams,	169 "	.07	11.83	
	24 Hams,	249 "	.10	24.90	
	1 bbl. Hams,	298 "	.10	29.80	
	1 " Wy. Hams,	306 "	.09 $\frac{1}{2}$	30.22	162.24

## Cudahy &amp; Co.,

1	Steer,	640 lb.	.07 $\frac{1}{2}$	48.00	
1	"	462 "	.07	32.34	
1	"	429 "	.07	30.03	
1	"	495 "	.06 $\frac{1}{2}$	33.41	
1	"	401 "	.06 $\frac{1}{2}$	27.07	
1	Side Beef,	370 "	.07 $\frac{1}{2}$	27.75	
1	" "	247 "	.08 $\frac{1}{2}$	20.38	
2	Rounds,	149 "	.07 $\frac{1}{2}$	11.18	
2	Ribs,	77 "	.10	7.70	
1	Side Beef,	273 "	.08 $\frac{1}{2}$	22.18	
	Pork Loins,	88 "	.10	8.80	268.84

## — 2 —

Sold to Martin & Campbell, 133 Jackson St., on account,

# 22	1 Hind,	113 lb.	.07 $\frac{1}{2}$	8.48	
# 7	1 Side Beef,	219 "	.08 $\frac{1}{2}$	18.07	
	Pork Loins,	176 "	.11 $\frac{1}{2}$	20.24	46.79



— 2 —

Sold to P. J. Collins, 416 Market St., on account,

2 Rounds,	149 lb.	.09	13.41	
2 Ribs,	77 "	.12	9.24	22.65

— 3 —

Bought from Cudahy &amp; Co., on account,

3 bbl. Hams,	1059 lb.	.11½	121.79	
	22	351	17	
	24	372	21	
	26	394	20	
	72	1117	58	

Less 2% for cash in 10 days.

— 3 —

Bought from Armour &amp; Co., on account,

2 bbl. Smoked Bacon,	606 lb.	.10½	61.36	
	330	19		
	317	22		
	647	41		

— 3 —

Sold to P. J. Collins, on account,

1 Side Beef,	273 lb.	.09½	26.62	
1 Steer,	429 "	.08½	36.47	
Pork Loins,	88 "	.12	10.56	73.65

— 4 —

Sold to Clark &amp; Son, 1524 Mulberry St., on account,

1 bbl. Hams,	298 lb.	.11½	35.02	
1 Steer,	640 "	.09	57.60	92.62

— 5 —

Sold to W. E. Edwards &amp; Co., 717 Myrtle St., on account,

24 Hams,	249 lb.	.11½	29.26	
1 bbl. Wy. Hams,	306 "	.13	39.78	
1 Side Beef,	247 "	.09½	24.08	93.12

— 5 —

Sold to Smith's Cash Store, 1726 Main St., on account,

20 Cal. Hams, 169 lb.	.08 $\frac{1}{2}$	14.79	
1 Steer, 462 "	.08 $\frac{1}{2}$	39.27	54.06

— 5 —

Bought from Omaha Packing Co., on account,

10 tierces Lard, 4073 lb.	.07 $\frac{1}{2}$	305.48	
485 71	479	72	
470 65	485	69	
483 71	496	71	
469 68	492	81	
429 53	486	80	
2336 328	2438	373	

— 7 —

Bought from Armour &amp; Co., on account,

5 bbl. Pigs' Feet,	8.00	40.00	
5 hf. bbl. " "	4.00	20.00	
10 qr. " " "	2.00	20.00	80.00

— 7 —

Bought for cash,

Pork Loins, 147 lb.	.11 $\frac{1}{2}$	16.91	
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— 7 —

Bought from Cudahy &amp; Co., on account,

4 pcs. Smoked Bacon, 15 lb.	.10	1.50	
3 " " " 10 "	.10	1.00	
1 bbl. Salt " 332 "	.09 $\frac{7}{8}$	32.79	35.29

— 7 —

Bought from Omaha Packing Co., on account,

12 pcs. Smoked Bacon, 33 lb.	.10	3.30	
15 " " " 37 "	.10	3.70	7.00

— 7 —

Sold to Martin &amp; Campbell, on account,

#7 2 Hinds, 225 lb.	.08 $\frac{1}{2}$	19.13	
#5 2 " 271 "	.08 $\frac{1}{2}$	23.04	42.17

— 8 —

Sold to Smith's Cash Store, on account,

2 tierces Lard, 823 lb.	.10	82.30	
	479	72	
	485	69	
	<hr/>		
	964	141	
1 bbl. S. Bacon, 311 lb.	.12½	38.88	121.18
	330	19	

— 8 —

Sold to Clark &amp; Son, on account,

3 bbl. Hams, 1059 lb.	.13½	142.97	
	22	351	17
	24	372	21
	26	394	20
	<hr/>		
	72	1117	58

— 8 —

Sold to Richard Kelly, 326 Maple St., on account,

# 18 1 Hind,	99 lb.	.09	8.91	
# 27 1 "	97 "	.08	7.76	
# 18 1 Side Beef,	227 "	.08	18.16	34.83

— 9 —

Paid the following invoices of the 1st,

Swift & Co.,	54.28
Armour & Co.,	162.24
Cudahy & Co.,	268.84

— 9 —

Sold to P. J. Collins, on account,

1 Steer,	495 lb.	.08	39.60	
1 bbl. S. Bacon, 295 "	.12½	36.88	76.48	
	317	22		

— 10 —

Sold to W. E. Edwards &amp; Co., on account,

2 tierces Lard, 806 lb. .10 80.60

470 65

469 68

939 133

4 pcs. S. Bacon, 15 lb. .11½ 1.73 82.33

Terms: 30 days net, or 2% off for cash in 10 days.

— 10 —

Sold to Richard Kelly, on account,

10 S. Hams, 211 lb. .13 27.43

2 tierces Lard, 782 " .10 78.20 105.63

486 80

429 53

915 133

— 10 —

Received from Armour &amp; Co., Wilkes-Barre, Pa., Consignment No. 1, to be sold on commission,

4 Steers, 451 589 434 637

— 11 —

Sold to Martin &amp; Campbell, on account,

1 bbl. Salt Bacon, 332 lb. .11 36.52

— 12 —

Sold to Clark &amp; Son, on account,

12 pcs. Smoked Bacon, 33 lb. .11½ 3.80

15 " " " 37 " .11½ 4.16 7.96

— 12 —

Bought from Cudahy &amp; Co., on account,

4 cases Lard, 20 3-lb. pails, 240 lb. .09 21.60

8 " " 12 5-lb. " 480 " .09 43.20

6 " " 6 10-lb. " 360 " .09 32.40

2 tubs " 120 " .07½ 9.30 106.50

— 12 —

Bought from Omaha Packing Co., on account,

8 bbl. Cal. Hams, 2595 lb. .07 181.65

26	303	15
25	299	14
25	386	19
24	371	25
22	353	23
21	319	18
28	375	21
26	341	17
197	2747	152

— 12 —

Sold for cash, from Consignment No. 1, Armour &amp; Co.,

3 Steers, 1474 lb. .08½ 125.29

451	589	434
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— 14 —

Received cash from P. J. Collins, for bill of 2d, \$22.65.

— 14 —

Received cash from Martin & Campbell, for bill of 2d,  
\$46.79.

— 14 —

Returned to Cudahy &amp; Co.,

6 cases Lard, 6 10-lb. pails, 360 lb. .09 32.40

— 14 —

Paid the following invoices of the 3d,

Cudahy & Co.,	121.79, less 2%
Armour & Co.,	61.36

— 14 —

Sold to Martin &amp; Campbell, on account, from Consignment No. 1, Armour &amp; Co.,

1 Steer, 637 lb. .08½ 54.15

— 14 —

Bought from Cudahy &amp; Co., on account,

8 tierces Lard, 3276 lb.	.08	262.08
471 72	476	60
469 71	491	72
490 61	471	70
486 60	451	63
1916 264	1889 265	

— 14 —

Sold to Smith's Cash Store, on account,

3 pcs. Smoked Bacon, 10 lb. .11½ 1.15

— 14 —

Received cash from Clark &amp; Son, for bill of 4th, \$92.62.

— 15 —

Received cash from P. J. Collins, for bill of 3d, \$73.65.

— 15 —

Bought from Omaha Packing Co., on account,

5 bbl. Hams, 1839 lb.	.10½	188.50
24 398	24	
23 378	19	
30 398	20	
27 371	17	
26 394	20	
130 1939	100	

— 15 —

Paid Omaha Packing Co., for invoice of the 5th, \$305.48.

— 15 —

Sold to W. E. Edwards &amp; Co., on account,

1 bbl. Cal. Hams, 288 lb.	.08½	25.20
26 303	15	

— 15 —

Received cash from W. E. Edwards &amp; Co., for bill of 5th, \$93.12.

— 15 —

Received cash from Smith's Cash Store, for bill of 5th,  
\$54.06.

— 16 —

Paid Armour & Co., Wilkes-Barre, the net proceeds of  
Consignment No. 1, as follows:

Gross Proceeds,	179.44
Charges: Freight,	2.09
Commission,	8.97    11.06    168.38

— 16 —

We mortgage our real estate for \$3,000.00, interest at 6%.  
Mortgage dated June 15, 190 .

— 16 —

Made Shipment No. 1, to Moses & Co., Pottsville, Pa., to  
be sold on commission,

5 tierces Lard, 2050 lb.	.08	164.00
476	60	
491	72	
471	70	
451	63	
486	60	
2375	325	

— 16 —

Sold to Richard Kelly, on account,

2 tubs Lard, 60 lb.	120 lb.	.10	12.00
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— 17 —

Sold to P. J. Collins, on account,

1 bbl. Cal. Hams, 367 lb.	.08 $\frac{1}{4}$	32.11
25	386	19

— 17 —

Received cash from Martin & Campbell, for bill of 7th,  
\$42.17.

— 18 —

W. E. Edwards & Co. returned 1 bbl. Cal. Hams,

288 lb.	.08 $\frac{1}{4}$	25.20
26	303	15

— 18 —

Received cash from Smith's Cash Store, for bill of 8th,  
\$121.18.

— 18 —

Received cash from Clark & Son, for bill of 8th, \$142.97.

— 18 —

Received cash from Martin & Campbell, for bill of 11th,  
\$36.52.

— 18 —

Paid the following invoices of the 7th,

Omaha Packing Co.,	7.00
Armour & Co.,	80.00
Cudahy & Co.,	35.29

— 19 —

Received cash, less 2% cash discount, from W. E. Edwards  
& Co., for bill of 10th, \$82.33.

— 19 —

Received cash from Richard Kelly, for bill of 8th, \$34.83.

— 19 —

Sold to Martin & Campbell, on account,				
8 cases Lard, 12 5-lb. pails,	480 lb.	.11	52.80	
1 bbl. Cal. Hams,	285 "	.08 $\frac{1}{4}$	24.94	77.74
	25	299	14	

— 20 —

Received 30-day note of Martin & Campbell, for bill of  
19th, \$77.74.

— 20 —

Discounted note of Martin & Campbell at bank. Interest  
for 30 days at 6%, \$.39.

— 21 —

Sold to Clark & Son, on account,

3 bbl. Cal. Hams, 977 lb.	.08 $\frac{1}{4}$	85.49
21	319	18
24	371	25
22	353	23
67	1043	66



— 21 —

Received cash from P. J. Collins, for bill of 9th, \$76.48.

— 22 —

Received cash from Clark & Son, for bill of 12th, \$7.96.

— 24 —

Sold to Smith's Cash Store, on account,

2 bbl. Cal. Hams, 678 lb.	8 $\frac{1}{2}$	59.33
26	341	17
28	375	21
54	716	38

— 25 —

Received cash from Smith's Cash Store, for bill of 14th, \$1.15.

— 26 —

Sold to W. E. Edwards & Co., on account,

1 Steer, 401 lb.	.08 $\frac{1}{2}$	34.09
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— 27 —

Allowed P. J. Collins 1c. discount on 367 lb. Hams bought on the 17th, \$3.67.

— 28 —

Sold to Richard Kelly, on account,

1 Side Beef, 370 lb.	.09 $\frac{1}{2}$	36.08
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— 30 —

Paid freight for the month, \$8.75.

— 30 —

Paid clerks for the month, \$65.00.

— 30 —

Post, transfer Merchandise Return and Rebate account, and close the books, as explained for the Model Set, using the figures given in the accompanying inventories.

## INVENTORIES

*Merchandise*

ARTICLE	QUANTITY	COST	AMOUNT
Hams, 5 bbl.,	1839 lb.	.10½	188.50
	24 398	24	
	23 378	19	
	30 398	20	
	27 371	17	
	26 394	20	
	130 1939	100	
“ Cal., 1 bbl.,	288 lb.	.07	20.16
Lard, 4 tierces,	1662 “	.07½	124.65
	485 71		
	483 71		
	496 71		
	492 81		
	1956 294		
“ 3 tierces,	1226 lb.	.08	98.08
	471 72		
	469 71		
	490 61		
	1430 204		
“ 4 cases, 20 3-lb pails,	240 lb.	.09	21.60
Pigs' Feet,	5 bbl.	8.00	40.00
“ “	5 hf. bbl.	4.00	20.00
“ “	10 qr. “	2.00	20.00
Pork Loins,	147 lb.	.11½	16.91
			549.90

*Real Estate*

Store building and lot, 3500.00

*Shipment No. 1*

Moses & Co., Pottsville, Pa., 164.00  
 4213.90

# DOUBLE-ENTRY BOOKKEEPING

(PART 4)

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## EXAMINATION SET

In order to test the student's knowledge of keeping department-store books, the following transactions are given, which are to be worked out on the blanks in the accompanying book marked "Blanks for Double-Entry Bookkeeping, Part 4." The index to the blanks will be found on page 1. Make deposits daily. There should be no difficulty in handling these accounts, since the work is fully explained in the text and shown in the Model Set of books. When the work is complete, write your name, address, and class letter and number on the cover of the book and send it in for examination.

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## TRANSACTIONS

SCRANTON, PA., JULY 1, 190

I, James L. Walters, begin business this day at 812 Lackawanna Ave., as a retail dealer in furniture, carpets, stoves, and lamps, with a cash investment of \$3500.

The store at the above place has been rented from C. L. Moss for one year, at \$1020, rent payable monthly in advance.

— 1 —

Paid C. L. Moss one month's rent in advance, \$85.

— 1 —

Drew from the bank and placed in the petty cash drawer, \$15.00.

— 1 —

Received the following invoices for goods purchased.  
Goods received and found to be O. K.

Trenton Lamp Co., 219 E. State St., Trenton, N. J.,

2	312	Ruby Hall Lamps,	2.80	5.60	
2	380	Canary Hall Lamps,	2.00	4.00	
1	379	Minerva Hall Lamps,		1.12	
3	272	Pearl Opal Shade,	1.40	4.20	14.92

Terms: 30 days.

B. F. Gassett & Co., 77 Chambers St., New York,

1	914	Yellow Shade, white lace,		1.40	
1	929	Lilac " " "		1.40	
1	929	Deep Green Shade,		1.90	
2	928	Nile " "	3.00	6.00	
2	927	Red Shade, black lace,	1.90	3.80	
3	381	Gilt Piano Lamp,	4.44	13.32	
1	382	" " "		7.77	35.59

Terms: 30 days.

C. A. Klein, 214 Market St., Philadelphia, Pa.,

1 pc.	438	Stair Carpet,	44½ yds.		
1 pc.	372	" " "	46½ "		
1 pc.	581	" " "	49½ "		
			<u>140½</u>	".65	91.49
1 pc.	618	Tapestry Carpet,	47½ "		
1 pc.	681	" " "	51½ "		
			<u>99½</u>	".55	54.59
					146.08
		Less 10%,			<u>14.61</u>
					131.47

Terms: 30 days.

Philadelphia Carpet Co., 87 Chestnut St., Philadelphia, Pa.,

	120	Extra Super Carpet,	124½ yds.,	.54	67.23
2	211	Moquette Rug,		2.00	4.00
1	214	" " "		3.00	74.23

Terms: 30 days, 2% off for cash in 10 days.

— 2 —

Sold to Geo. Jones, 819 Olive St., on account,

1	211	Moquette Rug,		3.00	
	438	Stair Carpet, 21 yds.,	.80	16.80	19.80

— 3 —

Paid expressage on box of samples from Trenton Lamp Co., \$.75.

— 3 —

Sold for cash,

1	928	Lamp Shade,	4.50	
1	382	Gilt Piano Lamp,	12.50	17.00

— 3 —

Sold to W. H. Barnes, 18 Washington Ave., on account,

681	Tapestry Carpet, 27 yds.,	.70	18.90	
381	Gilt Piano Lamp,		9.50	28.40

— 3 —

Bought from B. F. Gassett &amp; Co., on account,

2	905	Pink	Shade, white lace,	3.50	7.00
1	913	Yellow	" yellow "		5.50
2	912	Red	" red "	5.50	11.00
1	930	Orange	" black "		7.50
1	906	Nile Green	"	7.50	38.50

Terms: 30 days.

— 3 —

Bought from Illinois Furniture Co., 12 Race St., Chicago, Ill., on account,

3	564	Chamber Suits,	45.00	135.00	
1	559	" "		33.00	
2	533½	" "	26.00	52.00	
1	558½	" "		37.00	
		Burlap, 66 yds.,	.06	3.96	260.96

Terms: 30 days, 2% off for cash in 10 days.

## — 3 —

Bought from H. C. Morris, Grand Rapids, Mich., on account,

1	54	Sideboard,		15.00	
1½ doz.	307	Chairs, elm,	10.00	15.00	
2	"	318 " oak,	16.00	32.00	
2	"	287 " elm,	6.50	13.00	
1	"	289 " " arms,		22.00	97.00
Terms: 30 days.					

## — 5 —

Sold for cash,

1	564	Chamber Suit,	60.00	
1	312	Ruby Hall Lamp,	4.25	
1	914	Lace Shade,	1.75	
1	929	Shade,	1.75	67.75

## — 5 —

Bought from Philadelphia Carpet Co., on account

1 pc.	60	Ingrain Carpet, 127½ yds.,			
1 pc.	112	" " 131½ "			
1 pc.	210	" " 137 "			
1 pc.	315	" " 123½ "			
		<u>519½</u>	"	.30	155.78
1	317	Wilton Rug,		22.50	
3	531	" " 15.00		45.00	223.28

Terms: 30 days, less 2% for cash in 10 days.

## — 6 —

Sold for cash,

1	214	Moquette Rug,	4.50	
1	930	Lamp Shade,	9.50	
	438	Stair Carpet, 23½ yds.,	.80	18.80 32.80

## — 6 —

Sold to H. T. Snow, 112 Monroe Ave., on account,

	120	Extra Super Carpet, 49 yds.,	.75	36.75	
3	287	Chairs,	2.50	7.50	44.25

— 7 —

Sold for cash,

681	Tapestry Carpet, 24½ yds.,	.70	17.33	
1 533½	Chamber Suit,		36.00	53.33

— 7 —

Paid J. G. Price for carpenter work, \$1.25.

— 7 —

Bought from Illinois Furniture Co., on account,

6	83	6-ft. D. Tables,	4.50	27.00	
3	83	8-ft. " "	6.00	18.00	
2	79	8-ft. " "	6.75	13.50	
6	79	6-ft. " "	5.10	30.60	89.10

Terms: 30 days, less 2% for cash in 10 days.

— 7 —

Bought from B. F. Gassett &amp; Co., on account,

½ doz.	117	Opal Dome Shades,	3.00	1.50	
½ "	3611	Shades,	5.50	2.75	
1 "	3	Gallia Lamps,		7.64	

11.89

Less 10%,

1.19

10.70

Box,

.45 11.15

Terms: 30 days.

— 8 —

Sold to C. E. Howe, 812 Madison Ave., on account,

120	Extra Super Carpet, 51 yds.,	.75	38.25	
372	Stair Carpet,	29 "	.80	23.20 61.45

— 8 —

Sold for cash,

120	Extra Super Carpet, 24½ yds.,	.75	18.38	
1 211	Moquette Rug,		3.00	
1 79	6-ft. D. Table,		8.00	29.38

— 8 —

Sold to W. H. Barnes, on account,

60	Ingrain Carpet, 47½ yds.,	.50	23.75	
1 79	6-ft. D. Table,		8.00	31.75

— 9 —

Paid Philadelphia Carpet Co., Invoice No. 4,

\$74.23, less 2% cash discount, \$1.48,	72.75
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— 9 —

Bought from H. C. Morris, on account,

½ doz.	878	Tables, XVI Cent.,	55.00	27.50	
½ "	869	" Ant.,	95.00	47.50	
½ "	869	" XVI Cent.,	23.40	11.70	
½ "	890	" Imt. Mah.,	25.20	12.60	
¼ "	860	" " "	43.20	10.80	110.10

Terms: 30 days.

— 9 —

Bought from Illinois Furniture Co., on account,

3	202½	Ant. 3-pc. Suit,	17.00	51.00	
2	214	XVI Cent., 3-pc. Suit,	19.00	38.00	
1	215	Ant. 3-pc. Suit,		19.50	
2	216	" " "	20.00	40.00	
		Burlap, 100 yds.,	.05	5.00	
				153.50	

Less 20%,	30.70	122.80
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Terms: 30 days, less 2% for cash in 10 days.

— 9 —

Bought from Sterling Stove Co., 19 Barclay St., New York, on account,

1	W. B. 81	Stove,	31.00	
1	W. B. 82	"	34.00	
1	C. E. 71	Range,	45.00	
1	C. E. 72	"	48.00	
			158.00	

Less 30%,	47.40	110.60
-----------	-------	--------

Terms: 30 days.

— 10 —

Paid clerks' salaries, July 1 to 10, inclusive, \$22.50.



— 10 —

Bought from C. A. Klein, on account,

2 rolls Fiber, 44 in., 831 yds.,	.05	41.55	
Less 20%,		8.31	33.24

Terms: 30 days.

— 12 —

Paid Howard Jackson for painting, \$.75.

— 12 —

Bought from Sterling Stove Co., on account,

2 25 Electric Oil Heaters,	13.00	26.00	
2 15 " " "	9.00	18.00	44.00

Terms: 30 days.

— 12 —

Sold to George Jones, on account,

1 25 Electric Oil Heater,	17.00		
1 79 6-ft. D. Table,	8.00	25.00	

— 12 —

Paid Illinois Furniture Co., Invoice No. 6,

\$260.96, less 2% cash discount, \$5.22,	\$255.74
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— 13 —

Sold to Edw. Ware, 121 Pine St., on account,

112 Ingrain Carpet, 29 yds.,	.50	14.50	
1 913 Yellow Shade, yellow lace,		7.50	22.00

— 13 —

Received from W. H. Barnes, cash for bill of 3d, \$28.40.

— 13 —

Sold for cash,

1 15 Electric Oil Heater,	13.00		
Fiber, 131 yds.,	.06	7.86	20.86

— 14 —

Paid Philadelphia Carpet Co., Invoice No. 8, \$223.28, less  
2% cash discount, \$4.47, \$218.81.

— 14 —

Sold to C. E. Howe, on account,

1 878 Table,	6.00		
1 83 8-ft. D. Table,	9.00		
1 312 Ruby Hall Lamp,	4.25		
372 Stair Carpet, 17½ yds.,	.80	14.20	33.45

—15—

Bought from H. C. Morris, on account,

2	125	Iron Beds,	5.75	11.50
$\frac{1}{2}$ doz.	516	Cane Chairs,	13.00	6.50
$\frac{1}{4}$	"	129 Cobblers,	36.00	9.00
$\frac{1}{2}$	"	135 Uprights,	30.00	15.00
$\frac{1}{2}$	"	Boston Rockers,	16.00	8.00
				50.00

Terms: 30 days.

—15—

Sold to W. H. Barnes, on account,

1	125	Iron Bed,	9.25
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—15—

Sold for cash,

1	558 $\frac{1}{2}$	Chamber Suit,	48.00
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—16—

Sold for cash,

1	381	Gilt Piano Lamp,	9.50
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—16—

Received cash from H. T. Snow, for bill of 6th, \$44.25.

—16—

Sold to George Jones, on account,

1	C. E. 72	Range,	55.00
1	202 $\frac{1}{2}$	Ant. 3-pc. Suit,	20.00
			75.00

—17—

Paid clerks' salaries, July 12 to 17, inclusive, \$15.00.

—17—

Bought from Illinois Furniture Co., on account,

1	112	Plush Divan,	10.00
1	157	Tap. "	11.50
1	157	Moq. "	11.50
1	121	Silk "	7.50
2	143	" "	9.50
			19.00
2	46	Wardrobe,	9.00
			18.00
2	33	" "	6.75
			13.50
			<u>91.00</u>

Less 20%, 18.20 72.80

Terms: 30 days, less 2% for cash in 10 days.

— 17 —

Sold to H. T. Snow, on account,  
     1 W. B. 82 Stove, 38.80

— 17 —

Paid Illinois Furniture Co., Invoice No. 9, \$89.10, less  
 2% cash discount, \$1.78, \$87.32.

— 19 —

Sold for cash,  
     1 125 Iron Bed, 9.25  
     1 531 Wilton Rug, 20.00  
     2 Boston Rockers, 1.75 3.50 32.75

— 19 —

Paid Illinois Furniture Co., Invoice No. 12, \$122.80, less  
 2% cash discount, \$2.46, \$120.34.

— 20 —

Received cash from W. H. Barnes, for bill of 8th, \$31.75.

— 20 —

Received cash from C. E. Howe, for bill of 8th, \$61.45.

— 20 —

Paid telegram to Philadelphia Carpet Co., \$.25.

— 20 —

Sold to W. H. Barnes, on account,  
     1 564 Chamber Suit, 60.00  
     1 157 Tap. Divan, 13.50  
     2 516 Cane Chairs, 3.00 76.50

— 21 —

Sold for cash,  
     6 135 Uprights, 19.00  
     1 33 Wardrobe, 8.50  
     1 869 XVI Cent. Table, 3.00  
     1 79 8-ft. D. Table, 11.00 41.50

— 22 —

Sold to C. E. Howe, on account,

1 46 Wardrobe, 11.50

— 23 —

Received cash from Geo. Jones, for bill of 2d, \$19.80.

— 24 —

Paid clerks' salaries, July 19 to 24, inclusive, \$15.00.

— 26 —

Sold to H. T. Snow, on account,

2 516 Cane Chairs, 3.00

1 Boston Rocker, 1.75

1 928 Lamp Shade, 4.50 9.25

— 27 —

Paid Illinois Furniture Co., Invoice No. 17, \$72.80, less  
2% cash discount, \$1.46, \$71.34.

— 27 —

Sold for cash,

214 XVI Cent. 3-pc. Suit, 22.50

— 28 —

Paid Robert Mansfield for a sign, \$1.00.

— 28 —

Sold for cash,

4 890 Imt. Mah. Tables, 3.25 13.00

— 29 —

Received cash from Edw. Ware, for bill of 13th, \$22.00.

— 30 —

Received cash from H. T. Snow, for bills of 17th and  
26th, \$48.05.

— 30 —

Paid the following Invoices of the 1st:

Trenton Lamp Co., Invoice No. 1, 14.92

B. F. Gassett &amp; Co., Invoice No. 2, 35.59

C. A. Klein, Invoice No. 3, 131.47

— 31 —

Paid clerks' salaries to date, \$15.00.

Paid freight for the month, F. T. Jones, Agt., \$10.35.

Paid for stationery, H. W. Smith Printing Co., \$15.25.

Paid Record Publishing Co., advertising for the month, \$18.40.

— 31 —

Enter Petty Cash Book totals in Cash Book.

— 31 —

Post the books, make statements of the Ledgers, take a Trial Balance, adjust expense between the departments, dividing rent, advertising, and salaries on same basis as in Model Set. The figures for freight are Furniture, \$5.25; Carpets, \$2.60; Stoves, \$2.50; Lamps, .75. Make Statements of Resources and Liabilities, etc., using the figures given in the following inventories, which are also to be entered in the Ledger accounts, and close the books, as explained in the directions for the Model Set.

## INVENTORIES

*Carpet*

PATTERN No.	ARTICLE	YDS.	COST	AMOUNT	TOTAL
581	Stair,	49½	.65	32.18	
618	Tapestry,	47½	.55	26.13	
				58.31	
	Less 10%,			5.83	
				52.48	
60	Ingrain,	80	.30	24.00	
112	"	102½	.30	30.68	
210	"	137	.30	41.10	
315	"	123½	.30	37.05	
317	Wilton Rug,			22.50	
531	" "	2	15.00	30.00	237.81
	Fiber,	700	.05	35.00	
	Less 20%,			7.00	28.00
					265.81

		<i>Furniture</i>			
PATTERN	ARTICLE	QUANTITY	COST	AMOUNT	TOTAL
No.					
564	Chamber Suit,	1		45.00	
559	" "	1		33.00	
553 $\frac{1}{2}$	" "	1		26.00	
	Burlap,	66 yds.	.06	3.96	107.96
	"	100 "	.05	5.00	
	Less 20%,			1.00	4.00
307	Chairs, elm,	18		15.00	
318	" oak,	24		32.00	
287	"	21		11.38	
289	"	12		22.00	
54	Sideboard,	1		15.00	95.38
83	Tables, 6-ft. Dining,	6	4.50	27.00	
83	" 8-ft. "	2	6.00	12.00	
79	" 8-ft. "	1		6.75	
79	" 6-ft. "	3	5.10	15.30	61.05
878	" XVI Cent.,	5	4.59	22.95	
869	" Ant.,	6		47.50	
869	" XVI Cent.,	5	1.95	9.75	
890	" Imt. Mah.,	2	2.10	4.20	
860	" " "	3		10.80	95.20
202 $\frac{1}{2}$	Ant. 3-pc. Suit,	2	17.00	34.00	
214	XVI Cent., 3-pc. Suit,	1		19.00	
215	Ant. 3-pc. Suit,	1		19.50	
216	" " "	2	20.00	40.00	
				112.50	
	Less 20%,			22.50	90.00
516	Cane Chairs	2		2.17	
129	Cobblers,	3		9.00	
	Boston Rockers,	3		4.00	15.17
112	Plush Divan,	1		10.00	
157	Moquette Divan,	1		11.50	
121	Silk "	1		7.50	
143	" "	2	9.50	19.00	
46	Wardrobe,	1		9.00	
33	"	1		6.75	
				63.75	
	Less 20%,			12.75	51.00
					519.76

*Lamps and Fixtures*

PATTERN No.	ARTICLE	QUANTITY	COST	AMOUNT	TOTAL
380	Lamp, Canary Hall,	2	2.00	4.00	
379	" Minerva "	1		1.12	
381	" Gilt Piano,	1		4.44	9.56
3	" Gallia,	12		7.64	
	Less 10%,			.76	6.88
272	Shade, Pearl Opal,	3	1.40	4.20	
929	" Deep Green,	1		1.90	
927	" Red, black lace,	2	1.90	3.80	
905	" Pink, white lace,	2	3.50	7.00	
912	" Red, red lace,	2	5.50	11.00	
906	" Nile Green,	1		7.50	35.40
117	" Opal Dome,	6	.25	1.50	
3611	"	6	.46	2.75	
				4.25	
	Less 10%,			.43	
				3.82	
	Box,			.45	4.27
					56.11

*Stoves*

PATTERN No.	ARTICLE	QUANTITY	COST	AMOUNT	TOTAL
W. B. 81	Stove,	1		31.00	
C. E. 71	Range,	1		45.00	
				76.00	
	Less 30%,			22.80	
				53.20	
25	Electric Oil Heater,	1		13.00	
15	" " "	1		9.00	75.20





# OPENING, CLOSING, AND CHANGING BOOKS

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## EXAMINATION SET

In order to test the student's knowledge of the manner of opening, closing, and changing books, we shall give various propositions to be worked out according to the forms given in the Instruction Paper. Blanks for this work will be found in the accompanying book marked "Blanks for Opening, Closing, and Changing Books." The index will be found on page 1. The student's name, address, and class letter and number should be written on the cover and the book returned to us for examination.

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## OPENING ENTRY FOR SINGLE ENTRY

Make an opening entry for single-entry books, using the following resources and liabilities:

SCRANTON, PA., JULY 1, 190

### *Resources*

Cash on hand,	3421.72
Real Estate,	3500.00
Merchandise, inventory,	3441.67
Insurance paid in advance,	125.00
Coal, inventory,	58.00

### Notes Receivable:

John E. Williams, 2 mos., due July 10,	532.00
W. G. Johnson, 90 days, due July 25,	375.00

**Accounts Receivable:**

G. W. Eldred,	315.78	
• H. E. Davidson,	75.24	
H. C. Jackson,	250.31	
P. T. Hendricks,	198.76	
E. P. Webb,	75.49	12368.97

***Liabilities***

Mortgage Payable,	1500.00	
Notes Payable:		
C. N. Warren, 3 mos., due Aug. 7,	283.52	
Accounts Payable:		
W. L. Simpson,	213.27	
T. J. Stearns,	98.63	
R. J. Daniels,	69.24	2164.66
B. F. Gregory's net investment,		10204.31

**CLOSING SINGLE-ENTRY BOOKS**

Using the following Statement of the Ledger and list of Inventories, make a Statement of the Business showing the proprietor's gain:

***Statement of the Ledger, July 15, 190***

1 B. F. Gregory,		10204.31
2 G. W. Eldred,	511.90	
3 H. E. Davidson,	289.56	75.24
4 H. C. Jackson,	436.65	
5 P. T. Hendricks,	258.92	
7 W. L. Simpson,	213.27	476.75
8 T. J. Stearns,		372.66
9 R. J. Daniels,	69.24	366.32

***Inventories, July 15, 190***

Cash,	3821.94
Real Estate,	3500.00
Merchandise,	3782.80
Insurance,	119.80
Coal,	45.00

Notes Receivable:

W. G. Johnson, due July 25, 375.00

Mortgage Payable, 1500.00

Notes Payable:

C. N. Warren, due Aug. 7, 283.52

Make the necessary Journal entry to carry the gain to the proprietor's account.

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#### CHANGING TO DOUBLE ENTRY

Make the necessary Journal entries to change the books to double entry.

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#### CLOSING DOUBLE-ENTRY BOOKS AND CHANGING TO SINGLE ENTRY

Having a double-entry Ledger as shown by Ledger pages 1-19 in the book of blank forms, and a cash balance of \$4091.13, take a Trial Balance, and using the figures in this Trial Balance and the following inventories make out a Statement of the Business, showing the resources and liabilities, the gains and losses, and a proprietor's statement.

#### *Inventories, July 31, 190*

Merchandise,	3480.85
Insurance,	114.60
Coal,	30.00
Real Estate,	3500.00

Close and rule the Ledger, leaving it in shape to be kept by single entry.

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#### OPENING ENTRY FOR DOUBLE-ENTRY BOOKS

Using the list of resources and liabilities in the Statement just made out, make an opening entry in the double-entry form.



# CORPORATION ORGANIZATION AND BOOKKEEPING

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## EXAMINATION SET

Following will be found the data for opening and other entries in corporation books, which are to be made in the accompanying book marked "Blanks for Corporation Organization and Bookkeeping," in the manner explained. When the work is complete the student should write his name, address, and class letter and number on the cover of the blank book and return it to us for examination.

(1) *Opening Entries for Capital Stock Issued for Money Only.*—A corporation has been organized with a capital stock of \$75,000, which is subscribed in equal amounts by Joseph Andrews, Frank E. Adams, and William Jenkins, and the subscriptions paid in full. Make the necessary Journal and Cash-Book entries.

(2) *Opening Entries for Stock Issued for Money, an Instalment of Which Has Been Paid In.*—With the conditions the same as above, except that by resolution of the board of directors on       , 190   , as recorded in the Minute Book on page 12, an assessment of 15 per cent. of the capital stock is to be paid in, the balance to be subject to call. Make the Journal and Cash-Book entries.

(3) *Opening Entries When Part of the Capital Stock Is Issued for Property and the Balance for Money.*—The Pan-American Printing Company is a corporation organized to take over a general printing business owned by John Howard.

The capital stock is \$75,000, of which amount \$50,000, by agreement dated       , 190   , and recorded in Minute Book on page 16, is to be issued to Mr. Howard as full-paid stock, the company also agreeing to assume the payment of the liabilities of Mr Howard. The balance of the stock, \$25,000, is to be issued for cash.

The following is a statement of the Resources and Liabilities of Mr. Howard:

<i>Resources</i>		
Cash on hand and in bank,	1895.75	
Bills receivable,	1186.90	
Accounts receivable,	5243.45	
Machinery,	6000.00	
Type,	900.00	
Furniture and office fixtures,	875.00	
Material,	2245.75	18346.85
<i>Liabilities</i>		
Bills payable,	700.00	
Accounts payable,	1145.85	1845.85
		<u>16501.00</u>

Find the value of the good-will to be entered in the books and make the Journal entry. (It will not be necessary to give lists of accounts and bills receivable and payable.)

(4) *Opening Entries When Capital Stock Is Issued for Property and Part of Such Stock Is Donated to the Company to Provide Working Capital.*—Thomas Benton, Alexander Simpson, and Timothy Hayes have formed a corporation with an authorized capital of \$500,000, divided into 500,000 shares of \$1 each, for the purpose of operating the Sunset gold mine, which they own. The entire capital stock is issued to them in consideration of the conveyance by them to the company of the title to the mine, by deed dated       , 190   , and recorded in the Minute Book on page 9. The stockholders have donated half of their stock to the company to provide working capital, and 100,000 shares have been sold at 50 cents on the dollar. Make the necessary entries in the Journal.

(5) *Entries When a Cash Dividend Is Declared and Paid.* The books of the Pennsylvania Manufacturing Company, which has a full-paid capital stock of \$150,000, show a net profit for 6 months of \$12,000. On        1, the directors, by a resolution, which is recorded in the Minute Book on page 7, declared the first semiannual dividend of 4 per cent. payable on        , 190    , to stockholders of record on        , 190    , the balance of the profits to be retained as a reserve fund. Make the necessary Journal entries.

(6) *Entries for Stock Dividends.*—A corporation having unissued original shares of stock, by resolution of the directors adopted on        , 190    , and recorded in the Minute Book on page 18, makes a stock dividend of \$50,000, which is 10 per cent. of the entire amount of stock; the dividend is full-paid stock payable to stockholders of record on        , 190    . Make the necessary Journal entries.

(7) A company having a surplus of \$37,500, declares a stock dividend of \$75,000 of treasury stock; the par value of the stock is \$100, and it is issued at the market value of \$50. Make the Journal entries.

(8) *Entries for Capital Stock Issued at a Premium.*—The United States Steel Car-Wheel Company is a corporation with a capital stock of \$100,000, of which \$80,000 has been issued and paid; it has been determined to issue the remaining stock at \$115, which is at a premium of \$15. Make the Journal entries.





# ELEMENTS OF COST ACCOUNTING

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## EXAMINATION SET

The following transactions are given for the student to work out on the blanks in the accompanying blank books marked "Blanks for Elements of Cost Accounting." The transactions are for a factory producing one line of goods, and the work is to be done as explained in the instructions and as shown in the Model Set. When the work is complete, write your name, address, and class letter and number on the cover and send in the books for examination.

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## TRANSACTIONS

SCRANTON, PA., DECEMBER 31, 190

The Enterprise Manufacturing Company has decided to use new forms of books after January 1, and the closing of the books for the year just ended is to be performed on the new Ledger. On the evening of December 31 the company had debits and credits on the Ledger as shown by the following trial balance:

### TRIAL BALANCE, DECEMBER 31, 190

	Cash, bank 15430.25, drawer 75.00	15505.25
2	Bills Receivable,	1978.50
33	H. J. Grant,	1531.17
34	E. T. Jackson & Co.,	1041.56
35	Eustice & Jenkins,	1242.65
36	H. S. Barber,	1712.15
37	Romaine & Co.,	2574.61

4	Plant,	98900.00	
	Mill Site,	2000.00	
	Buildings,	22500.00	
	Machinery,	62000.00	
	Power Plant,	11000.00	
	Tools and Fixtures,	400.00	
	Office Furniture,	700.00	
	Horses and Wagons,	300.00	
13	Raw Material,	45996.00	
14	Supplies,	12857.25	
16	Fuel,	7980.64	
24	Goods in Process,	4556.00	
20	Bad Debts,	295.35	
7	Insurance,	2800.00	
6	Taxes,	815.00	
23	General Expense,	1851.45	
15	Labor,	22921.05	
22	Salaries,	7000.00	
17	Interest,	23.41	
18	Cash Discount,	650.52	
19	Goods Returned and Rebate,	56.05	
8	Tenant Property,	10000.00	
26	Goods,		35088.13
27	Consignment,		70176.26
28	Waste,		1989.35
5	Impairment and Betterment,		29517.89
38	W. M. Rankin,		575.00
39	C. J. Larkin,		745.00
40	Howard Machinery Co.,		751.00
3	Bills Payable,		821.00
32	Undivided Profits,		1754.98
1	Capital Stock,		100000.00
11	Rent,		870.00
		<u>242288.61</u>	<u>242288.61</u>

Make the Journal entry necessary to open the new books, transfer the cash balance and the bank balance to the proper columns in the Cash Book, and post the items to the Ledger.

The total of the Plant account is entered in the balance

column and the subdivisions then itemized as shown in Fig. 1 of the instructions. In entering the subdivisions, allow two lines between items.

The following inventories were on hand:

<i>Liabilities</i>	
Taxes accrued but not paid or entered,	290.00
<i>Resources</i>	
Insurance unexpired,	950.00
Raw Material,	9750.00
Supplies,	3575.00
Fuel, estimated,	725.00
Goods in Process, estimated,	4556.00
Goods, 8028 lb.,	1445.00
Consignment, 5972 lb.,	975.00
Waste, estimated,	698.00

Enter these inventories in the Ledger in red ink, resources on the credit side and liabilities on the debit side of the accounts to which they belong.

From the Ledger accounts as they now stand, make the necessary Journal entries to construct the Manufacturing account (see Art. 4), and to transfer to it the balances of Goods, Consignment, and Waste accounts, and to transfer to Loss and Gain the gross gain as shown by this account; also to transfer the loss or gain on Rent, Cash Discount, Bad Debts, and Interest to the Loss and Gain account.

Post the entries to the Ledger.

The board of directors have declared a dividend of 12 per cent., to be paid on the 15th; the balance of the gain goes to Undivided Profits.

Make the Journal entries to close the Loss and Gain account and transfer the amount of dividend to Dividend account and the balance of the gain to Undivided Profits account. Post to the Ledger.

Rule all the accounts that balance and bring down the inventories below the line in black ink under the date of January 1. Carry the balance in each account to the balance column, using black ink if debit, red ink if credit.

JANUARY 1, 190

To make allowance for any overvaluation in the Goods inventory, a reduction of 10 per cent. is to be made before beginning business for the period (see Art. 20).

Make the Journal entry and post to the Ledger.

The following amounts were received:

H. J. Grant, on account,	412.15
Eustice & Jenkins, on account,	215.50
E. T. Jackson & Co., on account,	85.72
Romaine & Co., on account,	1541.12
H. S. Barber, on account,	112.10

Enter on the debit side of the Cash Book; deposit the day's receipts and enter the amount in the Bank Deposit column. Post the items in the Sundries column.

— 4 —

Sent today on consignment to Mitchell & Co., 2112 lb. new.  
Post to Ledger.

Paid National Supply Co., supplies, three bills,  
\$11.45, \$19.50, and \$75, there being a dis-  
count of 5% on the latter, 102.20

Enter on the credit side of the Cash Book.

— 7 —

Sent today on consignment to Mitchell & Co., 3623 lb. new.  
Post to Ledger.

Paid the following amounts:

Messenger & Co., raw material,	980.00
E. R. Griffin, agent, freight on raw material,	69.45

Enter on credit side of Cash Book.

— 8 —

The following amounts were received:

E. T. Jackson & Co., bill of \$725.10, less 5% discount,	688.84
Romaine & Co., bill of \$325, less 5% dis- count,	308.75

H. J. Grant, bill of \$415, less 5% discount,	394.25
Cash Sales, 1321 lb. old,	250.95
Bills Receivable,	154.00
Bills Receivable, note of \$298.15, with interest for 30 days \$1.49,	299.64

Made the following payments:

Carter & Co., raw material,	395.00
Hotchkiss & Stephens, raw material \$198, supplies \$86.15,	284.15
Cash for telegram,	.25
Cash for expressage on electros,	.50
Cash for cleaning out well,	1.50
Cash for repairing pump,	1.00
Cash for freight bills, raw material \$26.70, supplies \$3.12,	29.82
W. M. Rankin,	575.00
Leeds Coal Co., coal,	198.45
Pay roll, labor \$458.15 (withheld \$45 rent),	458.15
Carter & Co., raw material,	115.00
E. R. Griffin, agent, freight on coal,	56.40

Enter in Cash Book (see Art. 32 in regard to pay roll).

Determine the cash balance, bank balance, and cash in drawer. Enter the balances in red ink in proper columns.

Post items in Sundries columns to Ledger.

Deposit day's receipts and enter amount in Bank Deposit column.

The Sales Book shows the following sales, the goods sold being 3671 lb. old and 9168 lb. new:

H. J. Grant,	212.40
Eustice & Jenkins,	635.15
H. S. Barber,	225.75
E. T. Jackson & Co.,	645.00
Romaine & Co.,	721.25
Total,	2439.55

Post these amounts to the accounts of the parties and credit Goods account with the total amount.

— 9 —

Sent today on consignment to Mitchell & Co., 4121 lb. new.  
Post to Ledger.

— 13 —

Sent today on consignment to Mitchell & Co., 3971 lb. new.  
Post to Ledger.

— 15 —

The following amounts were received:

Romaine & Co., on account, \$35.45, and freight bill for \$2.51, which was to have been prepaid,	37.96
Cash sales, 571 lb. new,	108.45
Waste, sold,	45.00
Rent,	8.00
H. S. Barber, bill of \$352.42, less 5% discount,	334.80
Consignment,	1645.50

Enter in the Cash Book.

Sold 10-acre tract from mill site,	900.00
Received \$200 in cash and \$700 in Bills Receivable.	

Cash Book and Journal entry. Post Journal entry to Ledger.

The bank has collected the following drafts, for which they have credited our account as follows:

Romaine & Co., \$375.50, collection charge .25,	375.25
H. S. Barber, \$350.50 and interest \$1.75,	352.25
Bills Receivable, \$670 and interest \$3.35, collection charge .50,	672.85

Cash Book entries.

Made the following payments:

Dividend,	12000.00
Davis & Co., raw material,	205.70
Dail & Co., supplies,	38.23
Gorman & Springer, raw material,	575.00
Leeds Coal Co., coal,	345.00

Howard Machinery Co., repairs,	59.25
Cash on outward freight,	2.10
Cash, freight on oils, fuel account,	1.65
Taxes,	275.00
Insurance, renewal five policies,	170.00
Pay roll, \$541.20 labor and \$198.10 work on new warehouse (withheld \$45 for rent),	739.30
Cash, freight on account of new building,	13.25
National Lumber Co., lumber for new building,	317.00
E. R. Griffin, agent, freight on lime for new building,	45.40
Exeter Brick Co., brick for new building,	540.00
Canton Lime Co., lime for new building,	109.00

Cash Book entries. Open one of the blank columns in the Cash Book for the account with New Building.

Received from the Howard Machinery Co., ten new machines,	15000.00
--	----------

Journal entry. Post to Ledger.

Paid Howard Machinery Co., on account,	2500.00
--	---------

Cash Book entry.

Gave Howard Machinery Co. 9-months' note,	12500.00
--	----------

Discarded seven old machines carried in the Plant account at \$900 each,	6300.00
---	---------

Journal entries. Post to Ledger.

Deposit day's receipts, retaining enough to bring the amount in the cash drawer back to \$75. Enter the amount of the deposit and each draft separately in the Bank Deposit column of the Cash Book. Determine the bank balance and enter this and the cash balance in the proper columns in red ink. Post the items in the Sundries columns to the Ledger.

— 17 —

Sent today on consignment to Mitchell & Co., 3596 lb. new.  
Post to Ledger.

— 20 —

Sent today on consignment to Mitchell & Co., 4184 lb. new.  
Post to Ledger.

— 22 —

Received the following amounts:

Cash sales, 911 lb. new,	173.20
Eustice & Jenkins, on account,	425.00
H. J. Grant, bill of \$298, less discount of \$3,	295.00
Consignment,	1043.35

The bank has credited our account with the following collections:

Romaine & Co., \$670.53, charges .50,	670.03
Eustice & Jenkins, \$602.15, charges .25,	601.90
H. S. Barber, \$450.50, charges .15,	450.35

Made the following payments:

E. R. Griffin, agent, 1000-mile book for	
R. C. Travers, salesman,	20.00
R. C. Travers, cash for expenses,	30.00
J. W. Wilson, trunk and valise for R. C.	
Travers,	12.00
Sent check to R. C. Travers,	50.00
Pay roll, \$498.40 labor and \$438.60 on new	
building (withheld \$45 for rent),	937.00

Cash Book entries. Open one of the blank columns for an account with R. C. Travers, salesman.

Deposit day's receipts. Enter the amount of deposit and the drafts separately in the Bank Deposit column. Determine the cash balance, bank balance, and money in drawer, and enter the balances in the proper columns in red ink.

Post the items in the Sundries columns to the Ledger.

— 28 —

Discount three notes as follows:

Bills Receivable \$145, discount for 30 days,	
.73,	144.27
Bills Receivable \$220.50, discount for 60	
days, \$2.21,	218.29
Bills Receivable \$625, discount for 90 days,	
\$9.38,	615.62



Received the following amounts:

Raw material sold,	215.00
Impairment and Betterment, sold dis-	
carded machinery,	295.00
Consignment,	1140.00

Paid the following amounts:

Bills Payable, sundries, ·	315.45
Check to R. C. Travers,	50.00
R. N. Willis, bookkeeper, salary to 28th,	75.00
F. F. Shrewsbury, salary to 28th,	65.00
G. R. Gritman, salary to 28th,	70.00
W. J. Thurman, salary to 28th,	50.00
T. N. Manchester, salary to 28th,	60.00
C. R. Victor, salary to 28th,	80.00
R. E. Tolman, salary to 28th,	100.00
"Evening Telegram," advertising directors' meeting,	5.00
Telephone Exchange, bill for January,	4.00
Pay roll, labor \$565.50 (withheld \$45 for rent),	565.50
Our account has been charged with a sight draft of Morgan & Co. for raw material,	522.25

Cash Book entries.

Deposit day's receipts and cash-drawer balance; enter the amount of deposit and notes separately in Bank Deposit column.

Post the items in the Sundries columns to the Ledger.

Foot, balance, and rule the Cash Book.

Post the totals of all the special columns to the proper accounts.

Take a Trial Balance.

**INVENTORIES**

The following are found by estimating the value of the items on hand:

Waste,	987.50
Fuel,	213.00
Goods in Process,	4725.00

Find the inventories of Raw Material and Supplies. The value of the raw material used was \$7516; the value of the supplies used was \$431.

Enter the inventories of Waste, Fuel, Goods in Process, Raw Material, and Supplies in the Ledger.

Find the number of pounds of old goods on hand and their value.

Find the number of pounds of new goods on hand; the production for the period was 75744 pounds.

Find the number of pounds of goods unsold on Consignment. Sold old goods, 5972 pounds; sold new goods, 14180 pounds.

Find the pro rata for the period (one-thirteenth) of the estimated cost for the year of Insurance (\$1885) and Taxes (\$1170), and the depreciation on Plant, using the same percentages as in the Model Set.

Make the Journal entry to show the manufacturing cost for the period, and from this find the cost per pound, the production being 75744 pounds.

Find the value of the new goods on hand; this, added to the value of the old goods, gives the amount of the Goods inventory.

Find the value of the Consignment inventory.

Post the Journal entry of manufacturing cost.

Make a Journal entry to transfer the total cost of the goods made during the period to Goods account and post.

Make a Journal entry debiting Consignment and crediting Goods account with the value of the goods shipped during the period and post.

Enter the inventories of Goods and Consignment.

Make Journal entries to charge Rent with one-thirteenth of the estimated cost of taxes and insurance for the year (\$250) and one-thirteenth of the amount allowed for the year for depreciation (5%) on Tenant Property. Post.

Make entries to assemble in the Four-Weeks' Loss and Gain account, the loss or gain for the period on Rent, Goods, Consignment, Waste, Cash Discount, Interest, Goods in Process, Bad Debts, and Salesman's accounts. Salesman is credited for his expense bills of \$162 and one-thirteenth of his yearly salary of \$900. Post.

Make an entry to transfer the net gain for the period as then shown by the Four-Weeks' Loss and Gain account and post.

Rule the accounts and bring the inventories below the line. Carry the balance in each account to the balance column.



# BANK BOOKKEEPING

## EXAMINATION SET

### TRANSACTIONS

#### RECEIVING TELLER

The transactions of the Examination Set are to be worked out in the accompanying books marked "Blanks for Bank Bookkeeping."

The following were the transactions at the receiving-teller's window on Wednesday, September 9, 190 :

Deposits of regular customers:

J. C. Hayden,

Bills,	120.00
--------	--------

Coin,	46.85
-------	-------

Checks:

N. C. Gilson & Co.,	210.84
---------------------	--------

Boston,	364.19
---------	--------

Chicago,	84.41
----------	-------

Aetna,	150.00
--------	--------

C. T. Folk,	54.10
-------------	-------

Total,	1,030.39
--------	----------

F. P. Gordon,

Bills,	68.00
--------	-------

Coin,	22.20
-------	-------

Checks:

Empire Gun Co.,	540.50
-----------------	--------

S. B. Embleton,	50.00
-----------------	-------

New York,	200.00
-----------	--------

Total,	880.70
--------	--------

P. C. Duggan,	
Bills,	100.00
Checks:	
Springfield,	25.84
Charter Oak,	150.50
State,	218.41
Eastern Safe Deposit Co.,	220.11
Total,	714.86

Horatio Kerns,	
Checks:	
Baltimore,	1,000.00
W. H. Gillette & Co.,	121.00
J. C. Cheeseton,	140.64
Lucy B. Fostelle,	41.60
Total,	1,303.24

Elastic Felt Co.,	
Bills,	250.00
Coin,	65.50
Checks:	
New Haven,	100.00
Memphis,	487.52
(Exchange \$.48)	
State,	10.50
Connecticut River Banking Co.,	57.40
A. S. Newton Co.,	200.00
C. A. Lamson,	52.19
Total (less exchange),	1,222.63

Issued to Seymour Lithographing Co., from debit ticket charging expense account, cashier's check No. 551, \$52.60.

Deposits of regular customers:

C. M. Coates,	
Checks:	
F. P. Gardner,	152.00
Excelsior Iron Works,	318.60
Boston,	150.40

F. T. Peabody,	400.60
James Myers,	600.00
Total,	<u>1,621.60</u>
W. H. Gillette & Co.,	
Bills,	385.00
Checks:	
Philadelphia,	5,000.00
Portland,	1,672.40
Empire Gun Co.,	85.50
Total,	<u>7,142.90</u>
J. B. Felt & Co.,	
Bills,	400.00
Coin,	42.20
Checks:	
Phoenix,	6,000.00
American,	918.74
Farmers and Mechanics,	800.00
Total,	<u>8,160.94</u>

Issued to George B. Marcom for New York draft of same amount, certificate of deposit No. 1,601, \$2,000.

Deposits of regular customers:

Fremont Stove Co.,	
Bills,	318.00
Coin,	75.50
Checks:	
J. H. Steele & Co.,	52.10
Fred J. Thatcher,	400.00
City,	2,540.50
Hartford,	540.91
Total,	<u>3,927.01</u>
J. C. Cheeseton,	
Checks:	
Toledo,	67.25
Milwaukee,	40.60
St. Louis,	210.78

New Orleans,	300.00
Los Angeles,	1,020.00
(Exchange \$1)	
Total (less exchange),	<u>1,637.63</u>
C. T. Folk,	
Bills,	50.00
Coin,	28.40
Checks:	
City Printing Co.,	40.40
S. B. Embleton,	140.59
Wm. E. Foster,	<u>94.60</u>
Total,	353.99
C. A. Lamson,	
Bills,	100.00
Checks:	
F. T. Peabody,	5.81
N. C. Emerson & Son,	381.52
Merchants,	<u>190.87</u>
Total,	678.20
N. C. Emerson & Son,	
Bills,	150.00
Checks:	
Merchants,	25.61
Horatio Kerns,	216.80
Seattle,	<u>675.40</u>
(Exchange \$.67)	
Aetna,	<u>411.00</u>
Total (less exchange),	1,478.14

Issued to J. P. Billings for currency, certificate of deposit No. 1,602, \$500.

Transferred during the day to the paying teller, \$1,500 in currency.

Cash on hand, in detail, at close of business:

Gold coin,	50.00
Gold certificates,	100.00



National bank notes,	350.00
Legal tender,	340.00
Silver certificates,	218.00
Silver dollars,	101.00
Fractional silver,	48.50
Nickels and cents,	14.15

### PAYING TELLER

The following were the transactions at the paying-teller's window on Wednesday, September 9, 190 :

#### Checks paid:

J. B. Felt & Co., on Equitable,	310.76
Empire Gun Co., on Equitable,	76.74
National Bank of Redemption, Boston,	214.43
Charter Oak National Bank, city,	86.34
Security Trust Co., city,	345.75
Commercial National Bank, Shreve- port, La.,	450.00
(Exchange \$.45)	
James Myers, on Equitable,	200.00
National Exchange Bank, city,	168.44
A. S. Newton Co., on Equitable,	475.00
C. M. Coates, on Equitable,	149.85
Farmers and Mechanics National Bank, city,	500.00

Paid cash for express, \$1.75.

Received from the collection clerk and sent to the clearing house yesterday's clearing-house checks amounting to \$11,072.39.

Received checks from clearing house amounting to \$15,048.60.

Paid clearing-house balance due \$3,976.21.

Sold to Elastic Felt Co., draft on Eastern National Bank, New York, No. 14,301, \$575, payable to Western Furniture Co.; exchange \$.58. Received check of Elastic Felt Co. for \$575.58 in payment.

## Checks paid:

American National Bank, city,	390.40
Merchants Bank, city,	150.00
F. T. Peabody, on Equitable,	57.61
City National Bank, Duluth,	154.50
City National Bank, Bridgeport,	200.00
Citizens National Bank, Worcester,	340.00
Hartford National Bank, city,	210.00
Capitol National Bank, Guthrie, Okla.,	784.50
(Exchange, \$.78)	

Sold to L. B. Lamson, draft on Eastern National Bank, New York, No. 14,302, for \$250, payable to Fred B. Lappin; exchange \$.25. Received cash in payment.

Paid cash for repairs of desk, \$3.

Paid cash for telegram, \$1.

Paid cash to Walter C. Cranford for notary's fee of \$1.50, on debit ticket charging account of F. T. Peabody.

## Checks paid:

Connecticut River Banking Co., city,	24.50
F. P. Gordon, on Equitable,	10.63
Lucy B. Fostelle, on Equitable,	100.00
City Bank, city,	75.75
C. A. Lamson, on Equitable,	50.00

Paid to James D. Adams, certificate of deposit No. 1,554, \$600.

Paid to J. B. Kirker & Co., cashier's check No. 542, \$250.

## Certified the following checks:

W. H. Gillette & Co., for City Bank,	500.00
City Printing Co., for City Printing Co.,	750.00

Received \$1,500 in currency from receiving teller.

The paying teller's cash on hand from yesterday was \$134,589.91. Received from receiving teller at close of business yesterday, \$1,150.50; from note teller, \$1,523.09.

Cash on hand in detail at close of business:

Gold coin,	61,920.00
Gold certificates,	14,000.00
National bank notes,	11,435.00
Legal tenders,	31,290.00
Silver certificates,	7,180.00
Silver dollars,	2,650.00
Fractional silver,	120.20
Nickels and cents,	61.12

#### COLLECTION CLERK

The following items have been received today, Wednesday, September 9, 190 , for collection:

From Corn Exchange National Bank, Chicago, collection No. 14,364, note of Lucy B. Fostelle, dated July 16, 190 , 2 months, payable at our bank, listed Protest, \$215.40. (The next collection number shown by the collection register is 1,679, which is given this item.)

From City Printing Co., note of J. B. Farnum, dated June 18, 190 , 3 months, payable at our bank, subject to protest, \$100.

From Merchants National Bank, New Haven, collection No. 2,168, sight draft on T. H. Nicholls, dated September 7, 190 , listed No Protest, \$220.68.

From Chicopee National Bank, Springfield, collection No. 4,884, note of Henry McFarland, dated August 20, 190 , 1 month, payable at Phoenix National Bank, city, listed Protest, \$310.

From Central National Bank, Wilmington, Del., no collection number given, letter dated September 7, sight draft on C. A. Lamson, dated September 5, 190 , listed No Protest, \$26.40.

From Citizens National Bank, Worcester, Mass., collection No. 11,670, sight draft on J. H. Steele & Co., dated September 5, 190 , listed No Protest, \$58.40.

From Fourth National Bank, Waterbury, Conn., collection No. 647, note of Wm. E. Foster, dated May 20, 190 , 4 months, payable at our bank, listed Protest, \$1,500.

From Eastern National Bank, New York, collection No. 16,830, sight draft on D. C. Fulgham & Co., dated September 7, 190 , listed Protest, \$100.

From American National Bank, Indianapolis, Ind., no collection number, letter dated September 5, note of Excelsior Iron Works, dated July 18, 190 , 2 months, payable at our bank, listed Protest, \$5,000.

From United National Bank, Providence, R. I., collection No. 5,364, note of Highland Rubber Co., dated August 18, 190 , 1 month, payable at Hartford National Bank, city, listed Protest, \$400.

The drafts were turned over to the note teller for collection. Our Nos. 1,681, 1,684, and 1,686, were paid.

C. A. Lamson refused to accept No. 1,683, and, not being subject to protest, it was returned to the sender.

No. 1,678, which was unsuccessfully presented yesterday, was paid today.

During the day the various departments of the bank have turned over the following clearing-house checks to be prepared for tomorrow's delivery:

Checks from receiving teller:

Aetna National Bank,	150.00
Charter Oak National Bank,	150.50
State Bank,	218.41
State Bank,	10.50
Connecticut River Banking Co.,	57.40
Phoenix National Bank,	6,000.00
American National Bank,	918.74
Farmers and Mechanics National Bank,	800.00
City Bank,	2,540.50
Hartford National Bank,	540.91
Aetna National Bank,	411.00

Checks from paying teller:

Charter Oak National Bank,	86.34
National Exchange Bank,	168.44
Farmers and Mechanics National Bank,	500.00
American National Bank,	390.40
Hartford National Bank,	210.00

Connecticut River Banking Co.,	24.50
City Bank,	75.75
Items from note teller:	
Note certified by Phoenix National Bank,	275.00
Note certified by First National Bank,	1,000.00
Checks from mail clerk:	
First National Bank,	384.76
Farmers and Mechanics National Bank,	640.72
State Bank,	211.61
American National Bank,	218.71
Aetna National Bank,	81.50
First National Bank,	647.89
Connecticut River Banking Co.,	900.00

## NOTE TELLER

The following were the transactions in the note-teller's department on Wednesday, September 9, 190 :

## Notes discounted:

Empire Gun Co., \$5,000, dated September 9, 190 , 3 months, 5 per cent., discount \$62.50, proceeds \$4,937.50. (This item is given the next number, 12,308, in the discount register.)

J. B. Randall & Son, discounted for C. T. Folk, \$250, dated September 9, 190 , 2 months, 6 per cent., payable at Hartford National Bank, city, discount \$2.50, proceeds \$247.50

J. B. Farnum, \$300, dated September 9, 190 , 2 months, 6 per cent., discount \$3, proceeds \$297.

James Welsh & Co., discounted for S. B. Embleton, \$1,500, dated August 24, 4 months (discounted for 3 months and 15 days), 6 per cent., payable at First National Bank, Boston, discount \$26.25, proceeds \$1,473.75.

Loaned N. C. Gilson & Co., \$3,000 on demand at 5 per cent. Collateral: 30 Norfolk & Western bonds, "Gen. 6's" at 130. (Enter in collateral-loan register, giving it the next number, 1,644.)

The discount tickler shows the following notes to be due:

B. A. Adams, \$275, payable at Phoenix National Bank, city. Certified by that bank and sent through the clearing house.

Elastic Felt Co., \$4,000. Charged their account.

Lucy B. Fostelle, \$200. Charged her account.

F. P. Gardner, \$200. Charged his account.

J. C. Hayden, \$1,200. Charged his account.

The collection clerk turned over the following notes for payment:

P. C. Duggan, \$218.40, collected for Excelsior Iron Works.

Fleming Paper Co., \$1,000, collected for City Printing Co. Payable at First National Bank, city. Certified by that bank and sent through the clearing house.

J. H. Steele & Co., \$364.75. Collected for W. H. Gillette & Co.

John B. Robinson, \$64.50. Collected for Eastern National Bank; New York. Paid in cash.

Simon Newcomb, \$100. Collected for Essex County National Bank, Newark. Paid in cash. Sent New York draft for \$99.75 (exchange \$.25) in payment.

Notes discounted:

Frank Wachtel & Bro., discounted for C. A. Lamson, \$800, dated September 9, 190 , 4 months, 6 per cent., payable at City Bank, city; discount \$16, proceeds \$784.

F. T. Peabody, \$1,000, dated September 9, 190 , 2 months, 6 per cent.; discount \$10, proceeds \$990.

J. B. Searle, discounted for Horatio Kerns, \$360, dated August 9, 190 , 4 months (discounted for 3 months), 6 per cent., payable at Canal National Bank, Portland, Me.; discount \$5.40, proceeds \$354.60.

Received from collection clerk:

Sight draft on T. H. Nicholls, \$220.68, collected for Merchants National Bank, New Haven. Paid in cash. New York draft for \$220.43 (exchange \$.25) sent in payment.

Sight draft on J. H. Steele & Co., \$58.40, collected for Citizens National Bank, Worcester; and sight draft on C. A. Probst & Son, \$141.20, held from yesterday and collected for the same bank, paid in cash. Draft on New York for \$199.10 (exchange \$.50) sent in payment for both.

Sight draft on D. C. Fulgham & Co., \$100. Collected for Eastern National Bank, New York.

Received from Chicopee National Bank, Springfield, draft on National Bank of Redemption, Boston, \$260.25, as proceeds of a note collected for James Myers.

Received from Bankers National Bank, Chicago, draft on Fourth National Bank, New York, \$682.60, as proceeds of a note collected for C. T. Folk.

Advice from First National Bank, Boston, that our account has been credited with \$384.72, note collected for P. C. Duggan.

Note of N. C. Fulton, \$200, protested for non-payment yesterday, charged to F. T. Peabody.

The non-clearings left over from yesterday amounted to \$187.75; those received for collection today were: Paying teller, \$495.75; receiving teller, \$436.59; mail clerk, \$543.74. During the day \$1,345.63 in currency was received in payment of non-clearings collected.

Cash on hand in detail at close of business:

Gold coin,	55.00
Gold certificates,	300.00
National bank notes,	840.00
Legal tenders,	520.00
Silver certificates,	92.00
Silver dollars,	44.00
Fractional silver,	14.20
Nickels and cents,	6.81

The footing of the discount tickler, which is not shown for this date, is \$5,875.

Enter discounts in tickler under November 9 and December 9.

Make out and prove work on note-teller's settlement. In carrying footing of Sundries credit on scratcher to the settlement, carry amount of Protests and the total of the other items separately.

#### MAIL CLERK

The following were the transactions in the mail-clerk's department on Wednesday, September, 9, 190 :

Checks received from regular correspondent banks:

Kenyon National Bank, Philadelphia:

J. B. Farnum,	211.80
First National Bank, city,	384.76
Thomaston National Bank, Thomaston,	301.04
Fremont Stove Co.,	64.75
Fred J. Thatcher,	100.00
Merchants Bank,	318.20
Farmers and Mechanics National Bank,	640.72
First National Bank, Middletown,	498.60

Total,	2,519.87
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Credited to its account.

Second National Bank, New Haven:

Wm. E. Foster,	58.75
N. C. Gilson & Co.,	318.72
Eastern Safe Deposit Co.,	92.67
State Bank,	211.61
Windham National Bank, Willimantic,	62.80
First National Bank, Middletown,	240.10

Total,	984.65
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Sent in payment draft No. 14,306 on Eastern National Bank, New York, \$983.67 (exchange \$.98).

City National Bank, Springfield,

B. E. French,	161.48
First National Bank, Litchfield,	620.40
American National Bank,	218.71



Aetna National Bank,	81.50
Merchants Bank,	61.20
First National Bank,	<u>647.89</u>
Total,	1,791.18
Credited to its account.	

National Webster Bank, Boston,	
C. M. Coates,	48.76
Security Trust Co.,	71.67
Connecticut River Banking Co.,	900.00
Thomaston National Bank, Thomaston,	192.85
First National Bank, Litchfield,	450.00
J. C. Hayden,	<u>75.51</u>
Total,	1,738.79

Sent in payment draft on First National Bank, Boston.  
\$1,737.79 (exchange \$1).

Letters listing checks on out-of-town banks were sent as follows:

Eastern National Bank, New York:	
Chicago National Bank, indorsed by J. C. Hayden,	84.41
Manhattan Trust Co., New York, indorsed by F. P. Gordon,	200.00
National Marine Bank, Baltimore, indorsed by Horatio Kerns,	1,000.00
First National Bank, New Haven, indorsed by Elastic Felt Co.,	100.00
Security Bank, Memphis, indorsed by Elastic Felt Co.,	487.52
Tenth National Bank, Philadelphia, indorsed by W. H. Gillette & Co.,	5,000.00
Chemical National Bank, New York, indorsed by G. B. Marcom,	2,000.00
Holcomb National Bank, Toledo, indorsed by J. C. Cheeseton,	67.25
Germania National Bank, Milwaukee, indorsed by J. C. Cheeseton,	40.60

Franklin Bank, St. Louis, indorsed by J. C. Cheeseton,	210.78
Louisiana National Bank, New Orleans, indorsed by J. C. Cheeseton,	300.00
Citizens National Bank, Los Angeles, indorsed by J. C. Cheeseton,	1,020.00
Dexter, Horton & Co., Seattle, indorsed by N. C. Emerson & Son,	675.40
Commercial National Bank, Shreve- port, indorsed by James T. Lucas,	450.00
City National Bank, Duluth, indorsed by Chas. M. Johnson,	154.50
City National Bank, Bridgeport, indorsed by B. M. Freeman,	200.00
Capitol National Bank, Guthrie, indorsed by Charles J. Lancaster,	784.50
Fourth National Bank, New York, received for a collection made,	682.60
Total,	<u>13,457.56</u>
First National Bank, Boston:	
Colonial National Bank, Boston, indorsed by J. C. Hayden,	364.19
Hampden Trust Co., Springfield, indorsed by P. C. Duggan,	25.84
Federal Trust Co., Boston, indorsed by C. M. Coates,	150.40
Casco National Bank, Portland, Me., indorsed by W. H. Gillette & Co.,	1,672.40
National Bank of Redemption, Bos- ton, indorsed by J. B. Crosby,	214.43
Citizens National Bank, Worcester, indorsed by F. J. Williams,	340.00
National Bank of Redemption, Bos- ton, received for a collection made,	260.25
Total,	<u>3,027.51</u>

**First National Bank, Middletown, Conn.:**

Check on itself, indorsed by Kenyon National Bank, Philadelphia,	498.60
Check on itself, indorsed by Second National Bank, New Haven,	<u>240.10</u>
Total,	738.70

**First National Bank, Litchfield, Conn.:**

Check on itself, indorsed by City National Bank, Springfield,	620.40
Check on itself, indorsed by National Webster Bank, Boston,	<u>450.00</u>
Total,	1,070.40

**Windham National Bank, Willimantic, Conn.:**

Check on itself, indorsed by Second National Bank, New Haven,	62.80
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**Thomaston National Bank, Thomaston, Conn.:**

Check on itself, indorsed by Kenyon National Bank, Philadelphia,	301.04
Check on itself, indorsed by National Webster Bank, Boston,	<u>192.85</u>
Total,	493.89

**The following drafts were drawn during the day:****On Eastern National Bank:**

No. 14,301, payable to Western Fur- niture Co., for check of Elastic Felt Co., exchange \$.58,	575.00
No. 14,302, payable to Fred B. Lap- pin, for cash from L. B. Lamson, exchange \$.25,	250.00
No. 14,303, payable to Essex County National Bank, for a remittance, exchange \$.25,	99.75
No. 14,304, payable to Merchants National Bank, for a remittance, exchange \$.25,	220.43

No. 14,305, payable to Citizens National Bank, for a remittance, exchange \$.50,	199.10
No. 14,306, payable to Second National Bank, for a remittance, exchange \$.98,	983.67

First National Bank, Boston:

But one draft was drawn on this bank during the day, the day total being,	1,737.79
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(No draft register is shown for this bank.)

#### INDIVIDUAL-LEDGER BOOKKEEPER

The balances from Tuesday, September 8, 190 , are as follows:

Depositors' page, individual ledger:

Credit balances,

Cashier's account,	1,047.09
Certificates of deposit,	10,192.00
Certified checks,	8,491.19
J. C. Cheeseton,	14,355.35
City Printing Co.,	3,108.10
C. M. Coates,	10,447.21
P. C. Duggan,	1,503.50
Elastic Felt Co.,	16,908.93
S. B. Embleton,	4,860.05
N. C. Emerson & Son,	29,832.30
Empire Gun Co.,	16,489.86
Excelsior Iron Works,	10,364.60
J. B. Farnum,	521.01
J. B. Felt & Co.,	25,399.35
C. T. Folk,	617.62
Lucy B. Fostelle,	1,156.30
Wm. E. Foster,	10,197.74
Fremont Stove Co.,	10,872.13
B. E. French,	378.89
D. C. Fulgham & Co.,	870.84

F. P. Gardner,	1,455.10
W. H. Gillette & Co.,	29,508.53
N. C. Gilson & Co.,	19,953.98
F. P. Gordon,	9,925.20
J. C. Hayden,	9,701.41
Horatio Kerns,	2,341.54
C. A. Lamson,	9,587.17
James Myers,	12,011.06
A. S. Newton Co.,	7,800.00
F. T. Peabody,	8,903.34
Anna P. Proctor,	5,265.32
J. H. Steele & Co.,	3,702.72
Fred J. Thatcher,	13,517.94

Debit balance,	
N. C. Fulton,	10.00

Bank page, individual ledger:

Debit balances,	
Eastern National Bank, New York,	67,434.48
First National Bank, Boston,	37,278.33
First National Bank, Litchfield,	2,884.15
First National Bank, Middletown,	16,942.90
Thomaston Nat'l Bank, Thomaston,	7,059.72
Windham Nat'l Bank, Willimantic,	1,115.80

Credit balances,	
Kenyon National Bank, Philadelphia,	2,169.44
City National Bank, Springfield,	4,178.00

Enter all preceding balances.

The following debits and credits have been assembled as the result of the transactions on Wednesday, September 9, 190 :

Deposit tickets from receiving teller:

J. C. Cheeseton,	1,637.63
C. M. Coates,	1,621.60
P. C. Duggan,	714.86
Elastic Felt Co.,	1,222.63
N. C. Emerson & Son,	1,478.14

J. B. Felt & Co.,	8,160.94
C. T. Folk,	353.99
Fremont Stove Co.,	3,927.01
W. H. Gillette & Co.,	7,142.90
F. P. Gordon,	880.70
J. C. Hayden,	1,030.39
Horatio Kerns,	1,303.24
C. A. Lamson,	678.20
Credit tickets from receiving teller:	
Certificates of deposit,	2,500.00
Cashier's checks,	52.60
Credit ticket from paying teller:	
Certified checks,	1,250.00
Deposit tickets from note teller:	
City Printing Co.,	1,000.00
P. C. Duggan,	384.72
S. B. Embleton,	1,473.75
Empire Gun Co.,	4,937.50
Excelsior Iron Works,	218.40
J. B. Farnum,	297.00
C. T. Folk,	247.50
C. T. Folk,	682.60
W. H. Gillette & Co.,	364.75
N. C. Gilson & Co.,	3,000.00
Horatio Kerns,	354.60
C. A. Lamson,	784.00
James Myers,	260.25
F. T. Peabody,	990.00
Checks from paying teller:	
Cashier's check No. 542,	250.00
Certificate of deposit No. 1,554,	600.00
C. M. Coates,	149.85
Elastic Felt Co.,	575.58
Empire Gun Co.,	76.74
J. B. Felt & Co.,	310.76
Lucy B. Fostelle,	100.00

F. P. Gordon,	10.63
C. A. Lamson,	50.00
James Myers,	200.00
A. S. Newton Co.,	475.00
F. T. Peabody,	57.61
F. T. Peabody,	1.50
Debit tickets from paying teller:	
City Printing Co.,	750.00
W. H. Gillette & Co.,	500.00
Checks from receiving teller:	
J. C. Cheeseton,	140.64
City Printing Co.,	40.40
S. B. Embleton,	140.59
S. B. Embleton,	50.00
N. C. Emerson & Son,	381.52
Empire Gun Co.,	85.50
Empire Gun Co.,	540.50
Excelsior Iron Works,	318.60
C. T. Folk,	54.10
Lucy B. Fostelle,	41.60
Wm. E. Foster,	94.60
F. P. Gardner,	152.00
W. H. Gillette & Co.,	121.00
N. C. Gilson & Co.,	210.84
Horatio Kerns,	216.80
C. A. Lamson,	52.19
James Myers,	600.00
A. S. Newton Co.,	200.00
F. T. Peabody,	400.60
F. T. Peabody,	5.81
J. H. Steele & Co.,	52.10
Fred J. Thatcher,	400.00
Debit items from note teller:	
P. C. Duggan,	218.40
Elastic Felt Co.,	4,000.00
Lucy B. Fostelle,	200.00
D. C. Fulgham & Co.,	100.00

F. P. Gardner,	200.00
J. C. Hayden,	1,200.00
F. T. Peabody,	200.00
J. H. Steele & Co.,	364.75
J. H. Steele & Co.,	58.40
Checks from mail clerk:	
C. M. Coates,	48.76
J. B. Farnum,	211.80
Wm. E. Foster,	58.75
Fremont Stove Co.,	64.75
B. E. French,	161.48
N. C. Gilson & Co.,	318.72
J. C. Hayden,	75.51
Fred J. Thatcher,	100.00
Checks from clearing house:	
Certified check (Excelsior Iron Works),	650.00
J. C. Cheeseton,	6,281.20
P. C. Duggan,	185.90
N. C. Emerson & Son,	5,000.00
Fremont Stove Co.,	2,198.60
D. C. Fulgham & Co.,	567.96
F. P. Gordon,	164.94
Credit tickets from mail clerk:	
Kenyon National Bank, Philadelphia,	2,519.87
City National Bank, Springfield,	1,791.18
Debit tickets from mail clerk:	
Eastern National Bank, New York,	13,457.56
First National Bank, Boston,	3,027.51
First National Bank, Middletown,	738.70
First National Bank, Litchfield,	1,070.40
Windham National Bank, Willimantic,	62.80
Thomaston National Bank, Thomaston,	493.89
Credit tickets from mail clerk for draft register totals:	
Eastern National Bank, New York,	2,327.95
First National Bank, Boston,	1,737.79



Credit tickets from note teller for collections:

Eastern National Bank, New York, collection	
John B. Robinson,	64.50
Eastern National Bank, New York, collection	
D. C. Fulgham & Co.,	100.00

Debit tickets from note teller for collections:

First National Bank, Boston, col-	
lected for P. C. Duggan,	384.72

#### GENERAL-LEDGER BOOKKEEPER

Assemble the transactions of Wednesday, September 9, 190 , for final proof by making out the general proof book from the receiving-teller's settlement, paying-teller's settlement, note-teller's settlement, and mail-clerk's scratcher.

(The item, Protests, 200, under Sundries on the credit side of the note-teller's settlement, should be entered in the credit column under General Ledger, opposite Protests.)

After making all the entries, prove the cash and see that the total of the details of Clearings in the first Proof of Cash column equals the total of the clearing-house register, as shown by the clearing-house delivery statement. Balance forward from yesterday was \$148,523.64.

Next, foot the Correspondents Debit and Credit columns, and see that their totals equal those of the Debit and Credit columns of the bank page in the individual ledger.

Then prove the Deposits columns by seeing that they agree with those of the depositors' page in the individual ledger.

The general-ledger balances from yesterday were as follows:

Discounts,	804,522.12
Loans,	133,500.00
U. S. bonds to secure circulation,	50,000.00
Banking house,	25,000.00
Furniture and fixtures,	5,000.00
Premium on U. S. bonds,	1,500.00
Stocks and bonds,	460,000.00

Correspondents,	126,367.94
Due from U. S. treasurer,	1,000.00
Protests,	200.00
Expense,	202.68
Salary account,	5,780.00
Five-per-cent. redemption fund,	2,500.00
Cash,	148,523.64
Capital stock,	500,000.00
Surplus fund,	200,000.00
Undivided profits,	51,906.70
Profit and loss,	30,202.17
Circulation,	50,000.00
Deposits,	917,052.69
Dividends unpaid,	2,860.50
Interest and discount,	11,685.54
Collection and exchange,	388.78

Enter these balances in the left-hand column of the general ledger, then enter the debits and credits of the general-ledger accounts from the General-Ledger columns of the general proof book.

Extend and prove the balances.

# INDEX

NOTE.—All items in this index refer first to the section and then to the page of the section. Thus, "Account 24 3" means that account will be found on page 3 of section 24.

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" . . . . .	27	3	Agent . . . . .	24	3
Acceptance . . . . .	24	3	" . . . . .	27	4
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" " . . . . .	27	3	paid stock therefor,		
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" " . . . . .	27	3	Allowance . . . . .	24	3
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" " . . . . .	27	3	Annual meeting, Affidavit of mail-		
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